RAUNAQ EPC INTERNATIONAL LIMITED

(AN ISO 9001: 2008 Company)

REIL/SEC/BSE/4/AUGUST 2020-2021

August 07, 2020

The Manager (Listing)
BSE Limited
1st Floor, New Trading Ring,
Rotunda Building
PJ Towers, Dalal Street
Fort, Mumbai – 400001

STOCKCODE: 537840

Sub: Compliance of Regulation 34(1)(a) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Dear Sir,

Pursuant to Regulation 34(1)(a) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith Annual Report along with the Notice of Annual General Meeting of "Raunaq EPC International Limited" for the year ended 31st March, 2020.

You are requested to take the same on your records.

Thanking you,

Yours faithfully,
For **Raunaq EPC International Limited**

Sachit Kanwar
Joint Managing Director

RAUNAQ EPC INTERNATIONAL LTD. FARIDABAD

Encl: As above

Regd. Office : 20 K.M. Mathura Road, P.O. Box 353, P.O Amar Nagar Faridabad-121 003 (Haryana)INDIA
Tel.: +91 (129) 4288888, Fax : +91 (129) 4288823-22, email : info@raunaqintl.com
www.raunaqinternational.com
CIN : L51909HR1965PLC034315

RAUNAQ EPC INTERNATIONAL LIMITED

NOTICE

TO THE MEMBERS OF THE COMPANY

NOTICE is hereby given that the **55th Annual General Meeting (AGM)** of the Members of Raunaq EPC International Limited will be held as under through Video Conference ("VC")/Other Audio Visual Means ("OAVM") ("hereinafter referred to as "electronic mode"):

Day	:	Monday
Date	:	31 August, 2020
Time	:	12:00 P.M.

to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Financial Statements of the Company for the year ended 31 March, 2020 together with Reports of the Directors and Auditors thereon and the audited consolidated financial statements of the Company for the financial ended 2019-20.

SPECIAL BUSINESS:

2. To consider the appointment of Mr. Sameer Kanwar, Additional Director of the Company, as a Non-Executive Director on the Board of the Company and if thought fit, pass the following resolution as an **Ordinary Resolution**, with or without modification(s):

   "RESOLVED THAT Mr. Sameer Kanwar (holding DIN 00033622), who was appointed as an Additional Director of the Company by the Board of Directors with effect from 13 November, 2019 in terms of the provisions of Section 161 of the Companies Act, 2013 and Articles of Association (AOA) of the Company and whose term of office expires at the Annual General Meeting, and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013 signifying their intention to propose Mr. Sameer Kanwar as a candidate for the office of Non-Executive Director of the Company be and is hereby appointed as a Non-Executive Director of the Company liable to retire by rotation pursuant to the provisions of Section 152 and any other applicable provisions of the Companies Act, 2013 read with the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force).

   RESOLVED FURTHER THAT the Board of Directors of the Company (which includes a Committee, constituted for the time being in force) be and is hereby authorized to do all such acts, deeds and things, to enter into such agreement(s), deed(s) of amendment(s) or any such document(s), as the Board may, in its absolute discretion, consider necessary, expedient or desirable including power to sub-delegate, in order to give effect to this resolution or as otherwise considered by the Board to be in the best interest of the Company, as it may deem fit."

3. To consider the appointment of Mr. Naresh Kumar Verma, Additional Director of the Company, as a Non-Executive Director on the Board of the Company and if thought fit, pass the following resolution as an **Ordinary Resolution**, with or without modification(s):

   "RESOLVED THAT Mr. Naresh Kumar Verma (holding DIN 07087356), who was appointed as an Additional Director of the Company by the Board of Directors with effect from 04 December, 2019 in terms of the provisions of Section 161 of the Companies Act, 2013 and Articles of Association (AOA) of the Company and whose term of office expires at the Annual General Meeting, and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013 signifying their intention to propose Mr. Naresh Kumar Verma as a candidate for the office of Non-Executive Director of the Company be and is hereby appointed as a Non-Executive Director of the Company liable to retire by rotation pursuant to the provisions of Section 152 and any other applicable provisions of the Companies Act, 2013 read with the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force).

   RESOLVED FURTHER THAT the Board of Directors of the Company (which includes a Committee, constituted for the time being in force) be and is hereby authorized to do all such acts, deeds and things, to enter into such agreement(s), deed(s) of amendment(s) or any such document(s), as the Board may, in its absolute discretion, consider necessary, expedient or desirable including power to sub-delegate, in order to give effect to this resolution or as otherwise considered by the Board to be in the best interest of the Company, as it may deem fit."

4. To consider the re-appointment of Dr. Sanjeev Kumar as a Non-Executive Independent Director on the Board of the Company and if thought fit, pass the following resolution as a **Special Resolution**, with or without modification(s):

   "RESOLVED THAT pursuant to the provisions of Section 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV of the Companies Act, 2013, Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended, and subject to such other requisite approvals as may be required in this regard, Dr. Sanjeev Kumar (holding DIN 00364416) whose term expires at the Annual General Meeting (AGM) and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013 signifying their intention to propose Dr. Sanjeev Kumar as a candidate for the office

of Non-Executive Independent Director of the Company, be and is hereby re-appointed as a Non-Executive Independent Director to hold office for a further period of 5 (Five) consecutive years upto the conclusion of the 60th Annual General Meeting (AGM) of the Company in the Calendar year 2025.

RESOLVED FURTHER THAT the Board of Directors of the Company (which includes a Committee, constituted for the time being in force) be and is hereby authorized to do all such acts, deeds and things, to enter into such agreement(s), deed(s) of amendment(s) or any such document(s), as the Board may, in its absolute discretion, consider necessary, expedient or desirable including power to sub-delegate, in order to give effect to this resolution or as otherwise considered by the Board to be in the best interest of the Company, as it may deem fit."

5. To consider the re-appointment of Ms. Seethalakshmi Venkataraman as a Non-Executive Independent Director on the Board of the Company and if thought fit, pass the following resolution as a **Special Resolution**, with or without modification(s):

"**RESOLVED THAT** pursuant to the provisions of Section 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV of the Companies Act, 2013, Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended, and subject to such other requisite approvals as may be required in this regard, Ms. Seethalakshmi Venkataraman (holding DIN 07156898) whose term expires at the Annual General Meeting (AGM) and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013 signifying their intention to propose Ms. Seethalakshmi Venkataraman as a candidate for the office of Non-Executive Independent Director of the Company, be and is hereby re-appointed as a Non-Executive Independent Director to hold office for a further period of 5 (Five) consecutive years upto the conclusion of the 60th Annual General Meeting (AGM) of the Company in the Calendar year 2025.

RESOLVED FURTHER THAT the Board of Directors of the Company (which includes a Committee, constituted for the time being in force) be and is hereby authorized to do all such acts, deeds and things, to enter into such agreement(s), deed(s) of amendment(s) or any such document(s), as the Board may, in its absolute discretion, consider necessary, expedient or desirable including power to sub-delegate, in order to give effect to this resolution or as otherwise considered by the Board to be in the best interest of the Company, as it may deem fit."

6. To consider and authorize the sale of Equity Shares held by the Company in Xlerate Driveline India Limited and if thought fit, pass the following resolution as a **Special Resolution**, with or without modification(s):

"RESOLVED THAT pursuant to the provisions of Section 180(1)(a) and 188(1) of the Companies Act, 2013 read with Rule 15 of the Companies (Meeting of Board and its Powers) Rules, 2014 and any other relevant rules under the Companies Act, 2013 as amended from time to time; and other applicable provisions, if any, of the Companies Act, 2013 (including any amendment thereto or re-enactment thereof for the time being in force) and Regulation 23 and 24 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 or any other law for the time being in force, and subject to consents, approvals and/or permissions of relevant authorities as may be required, the consent of the Company be and is hereby accorded to the Board of Directors to transfer by way of sale, 82,14,000 (55.21%) Equity Shares held by the Company in Xlerate Driveline India Limited (XDIL), Wholly Owned Subsidiary Company out of its 100% stake in XDIL at a price of Rs. 4.87 (Rupees Four and Paisa Eighty Seven Only) per Equity Share, total consideration being Rs. 4,00,02,180/- (Rupees Four Crores Two Thousand One Hundred Eighty Only) to Mr. Sachit Kanwar, Promoter and Joint Managing Director of the Company in one or more tranches.

RESOLVED FURTHER THAT for the purpose of giving effect to the above resolution, the Board of Directors of the Company or a Committee thereof, be and is hereby authorised to take such actions and to give all such directions as may be necessary or desirable and also to settle any question or difficulty that may arise in regard to the proposed sale and further to do all such acts, deeds, matters and things and to execute all such deeds, documents and writings as may be necessary, desirable or expedient in connection therewith."

By Order of the Board
Sd/-
Vartika Malhotra
Company Secretary
Membership No. A60245

Dated: 30 June, 2020

NOTES:

1. In view of the continuing Covid-19 pandemic, the Ministry of Corporate Affairs ("MCA") has vide its Circular No. 20 dated 05 May, 2020 read with circulars dated 08 April, 2020 and 13 April, 2020 (collectively referred to as "MCA Circulars") permitted the holding of Annual General Meeting through Video Conference ("VC")/Other Audio Visual Means ("OAVM") without the physical presence of Members at a common venue. In compliance with these MCA Circulars and the relevant provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Annual General Meeting of the Members of the Company is being held through VC/OAVM.

2. Pursuant to the provisions of the Companies Act, 2013, a Member entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to the MCA Circulars through VC/OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the Annual General Meeting and hence the Proxy Form and Attendance Slip are not annexed to the Notice.

3. Institutional/Corporate Shareholders (i.e. other than individuals/HUF, NRI, etc) are required to send a scanned copy (PDF/JPEG Format) of its Board Resolution or governing body Resolution/Authorisation etc., authorising its representative to attend the Annual General Meeting through VC/OAVM on its behalf and to vote through remote e-voting. The said Resolution/Authorization shall be sent to the Scrutinizer by email through their registered email address to sanketjaincs@gmail.com with copies marked to the Company at secretarial@raunaqintl.com and to the Registrar and Transfer Agent (RTA) at delhi@linkintime.co.in.

4. Registration of email ID and Bank Account details:

   In case the shareholder's email ID is already registered with the Company/its Registrar & Share Transfer Agent "RTA"/ Depositories, log in details for e-voting are being sent on the registered email address.

   In case the shareholder has not registered his/her/their email address with the Company/its RTA/Depositories and or not updated the Bank Account mandate for receipt of dividend, the following instructions to be followed:

   (i) Kindly log in to the website of our RTA, Link Intime India Private Limited, www.linkintime.co.in under Investor Services > Email/Bank detail Registration-fill in the details and upload the required documents and submit.

   OR

   (ii) In the case of Shares held in Demat mode:

   The shareholder may please contact the Depository Participant ("DP") and register the email address and bank account details in the demat account as per the process followed and advised by the DP.

5. The Notice of the Annual General Meeting along with the Annual Report for the financial year 2019-20 is being sent only by electronic mode to those Members whose email addresses are registered with the Company/Depositories in accordance with the aforesaid MCA Circulars and circular issued by SEBI dated 12 May, 2020. Members may note that the Notice of 55th Annual General Meeting and Annual Report for the financial year 2019-20 will also be available on the Company's website at www.raunaqinternational.com; website of the Stock Exchange i.e. BSE Limited at www.bseindia.com. Members are requested to download the Annual Report and Notice of the AGM from the website of the Company and the Exchange. Members can attend and participate in the Annual General Meeting through VC/OAVM facility only.

6. Members attending the meeting through VC/OAVM shall be counted for the purposes of reckoning the quorum under Section 103 of the Companies Act, 2013.

7. In compliance with the provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meetings (SS-2) issued by the Institute of Company Secretaries of India, the Company is pleased to provide the members with facility to exercise their right to vote at the 55th Annual General Meeting by electronic means and the business may be transacted electronically through the facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") as provided by Link Intime India Private Limited (LIIPL).

   The facility for electronic voting system shall also be made available at the 55th Annual General Meeting. The Members who have not cast their votes through remote e-voting shall be able to exercise their voting rights the AGM. The Members who have already cast their votes through remote e-voting may attend the meeting but shall not be entitled to cast their vote again at the AGM.

8. Instructions for Members to attend the Annual General Meeting through InstaMeet (VC/OAVM) are as under:

a) Members are entitled to attend the Annual General Meeting through VC/OAVM platform "InstaMeet" provided by the Registrar and Transfer Agent, Link Intime Private Limited by following the below mentioned process. Facility for joining the Annual General Meeting through VC/OAVM shall open 15 minutes before the time scheduled for the Annual General Meeting and will be available to the Members on first come first serve basis.

   Members are requested to participate on first come first serve basis as participation through VC/OAVM is limited and will be closed on expiry of 15 (Fifteen) minutes from the scheduled time of the Annual General Meeting. Members holding more than 2% equity shares, Promoters, Institutional Investors, Directors, KMPs, Chair Persons of Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee and Auditors etc. may be allowed to the meeting without restrictions of first-come-first serve basis. Members can log in and join at 11:45 A.M. IST i.e. 15 (fifteen) minutes prior to the schedule time of the meeting and window for joining shall be kept open till the expiry of 15 (Fifteen) minutes after the schedule time. Participation is restricted upto 2000 members only.

b) The details of the process to register and attend the AGM are as under:

   1. Open the internet browser and launch the URL: https://instameet.linkintime.co.in

      Select the **"Company"** and **'Event Date'** and register with your following details: -

   A. Demat Account No. or **Folio No.:** Enter your 16 digit Demat Account No. or Folio No

      - Members holding shares in **CDSL demat account shall provide 16 Digit Beneficiary ID**

- Members holding shares in **NSDL demat account shall provide 8 Character DP ID followed by 8 Digit Client ID**
- Members holding shares in **physical form shall provide** Folio Number registered with the Company

B. PAN: Enter your 10-digit Permanent Account Number (PAN) (Members who have not updated their PAN with the Depository Participant (DP)/Company shall use the sequence number provided to you, if applicable.

C. Mobile No.: Enter your mobile number.

D. Email ID: Enter your email id, as recorded with your DP/Company.

➢ Click "Go to Meeting" (You are now registered for InstaMeet and your attendance is marked for the meeting).

c) Instructions for Members to Speak during the Annual General Meeting through InstaMeet:

1. Members who would like to speak during the meeting must register their request on or before 24 August 2020 with the Company on secretarial@raunaqintl.com created for the general meeting.
2. Members will get confirmation on first cum first basis.
3. Members will receive "speaking serial number" once they mark attendance for the meeting.
4. Other Members may ask questions to the panelist, via active chat-board during the meeting.
5. Please remember speaking serial number and start your conversation with panelist by switching on video mode and audio of your device.
6. Members are requested to speak only when moderator of the meeting/management will announce the name and serial number for speaking.

d) Instructions for Members to Vote during the Annual General Meeting through InstaMeet:

Once the electronic voting is activated by the scrutinizer/ moderator during the meeting, members who have not exercised their vote through the remote e-voting can cast the vote as under:

1. On the Shareholders VC page, click on the link for e-Voting "Cast your vote"
2. Enter your 16 digit Demat Account No. / Folio No. and OTP (received on the registered mobile number/ registered email Id) received during registration for InstaMEET and click on 'Submit'.
3. After successful login, you will see "Resolution Description" and against the same the option "Favour/ Against" for voting.
4. Cast your vote by selecting appropriate option i.e. "Favour/Against" as desired. Enter the number of shares (which represents no. of votes) as on the cut-off date under 'Favour/Against'.
5. After selecting the appropriate option i.e. Favour/ Against as desired and you have decided to vote, click on "Save". A confirmation box will be displayed. If you wish to confirm your vote, click on "Confirm", else to change your vote, click on "Back" and accordingly modify your vote.
6. Once you confirm your vote on the resolution, you will not be allowed to modify or change your vote subsequently.

e) Members, who will be present in the Annual General Meeting through InstaMeet facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting facility during the meeting. Members who have voted through remote e-voting prior to the Annual General Meeting will be eligible to attend/participate in the Annual General Meeting through InstaMeet. However, they will not be eligible to vote again during the meeting.

f) Members are encouraged to join the Meeting through Tablets/Laptops connected through broadband for better experience.

g) Members are required to use Internet with a good speed (preferably 2 MBPS download stream) to avoid any disturbance during the meeting.

h) Please note that Members connecting from Mobile Devices or Tablets or through Laptops connecting via Mobile Hotspot may experience Audio/Visual loss due to fluctuation in their network. It is therefore recommended to use stable Wi-FI or LAN connection to mitigate any kind of aforesaid glitches.

i) For a smooth experience of viewing the AGM proceedings on InstaMEET, shareholders/ members **who are registered as speakers for the event** are requested to download and install the Webex application.

j) In case shareholders/members have any queries regarding login/ e-voting, they may send an email to instameet@linkintime.co.in or contact on: - Tel: 022-49186175.

9. **Remote e-Voting Instructions for shareholders:**

1. Open the internet browser and launch the URL: https://instavote.linkintime.co.in

Those who are first time users of LIIPL e-voting platform or holding shares in physical mode have to mandatorily generate their own Password, as under:

Click on **"Sign Up"** under 'SHARE HOLDER' tab and register with your following details: -

A. User ID: Enter your User ID

- Members holding shares in **CDSL demat account shall provide 16 Digit Beneficiary ID**

- Members holding shares in **NSDL demat account shall provide 8 Character DP ID followed by 8 Digit Client ID**

- Members holding shares in **physical form shall provide** Event No + Folio Number registered with the Company

B. PAN: Enter your 10-digit Permanent Account Number (PAN) (Members who have not updated their PAN with the Depository Participant (DP)/Company shall use the sequence number provided to you, if applicable.

C. DOB/DOI: Enter the Date of Birth (DOB)/Date of Incorporation (DOI) (As recorded with your DP/ Company - in DD/MM/YYYY format)

D. Bank Account Number: Enter your Bank Account Number (last four digits), as recorded with your DP/ Company.

- Members holding shares in **CDSL demat account shall provide either 'C' or 'D', above**

- Members holding shares in **NSDL demat account shall provide 'D', above**

- Members holding shares in **physical form** but have not recorded 'C' and 'D', shall provide their Folio number in 'D' above

➢ Set the password of your choice (The password should contain minimum 8 characters, at least one special Character (@!#$&*), at least one numeral, at least one alphabet and at least one capital letter).

➢ Click "confirm" (Your password is now generated).

Note: If members are holding shares in demat form and have registered on to e-Voting system of LIIPL: https://instavote.linkintime.co.in, and/or voted on an earlier event of any Company then they can use their existing password to login.

2. Click on 'Login' under **'SHARE HOLDER'** tab.

3. Enter your User ID, Password and Image Verification (CAPTCHA) Code and click on **'Submit'.**

4. After successful login, you will be able to see the notification for e-voting. Select **'View'** icon.

5. E-voting page will appear.

6. Refer the Resolution description and cast your vote by selecting your desired option **'Favour/Against'** (If you wish to view the entire Resolution details, click on the **'View Resolution'** file link).

7. After selecting the desired option i.e. Favour/Against, click on **'Submit'**. A confirmation box will be displayed. If you wish to confirm your vote, click on 'Yes', else to change your vote, click on 'No' and accordingly modify your vote.

8. Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on the e-voting system of LIIPL at https://instavote.linkintime.co.in and register themselves as **'Custodian/Mutual Fund/Corporate Body'**. They are also required to upload a scanned certified true copy of the board resolution /authority letter/power of attorney etc. together with attested specimen signature of the duly authorised representative(s) in PDF format in the **'Custodian/Mutual Fund/Corporate Body'** login for the Scrutinizer to verify the same.

If you have forgotten the password:

o Click on **'Login'** under **'SHARE HOLDER'** tab and further Click **'forgot password?'**

o Enter **User ID**, select **Mode** and Enter Image Verification (CAPTCHA) Code and Click on **'Submit'.**

- In case members is having valid email address, Password will be sent to his/her registered e-mail address.

- Members can set the password of his/her choice by providing the information about the particulars of the Security Question and Answer, PAN, DOB/DOI, Bank Account Number (last four digits) etc. as mentioned above.

- The password should contain minimum 8 characters, at least one special character (@!#$&*), at least one numeral, at least one alphabet and at least one capital letter.

- It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

For shareholders/members holding shares in physical form, the details can be used only for voting on the resolutions contained in the Notice.

During the voting period, shareholders/ members can login any number of time till they have voted on the resolution(s) for a particular "Event".

Shareholders/members holding multiple folios/demat account shall choose the voting process separately for each of the folios/demat account.

In case shareholders/ members have any queries regarding e-voting, they may refer the **Frequently Asked Questions ('FAQs'**) and InstaVote e-Voting manual available at https://instavote.linkintime.co.in, under **Help** section or send an email to enotices@linkintime.co.in or contact on: - Tel: 022 Ś4918 6000.

10. Brief profile & other details of the Directors proposed to be appointed, as required under Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 and Secretarial Standard (SS-2) issued by the Institute of Company Secretaries of India is annexed to this Notice.

11. The relevant Explanatory Statement pursuant to the provisions of Section 102 of the Companies Act, 2013 in respect of Resolution(s) set out in this Notice is appended hereinafter.

12. Members attending the meeting through VC/OAVM shall be counted for the purposes of reckoning the quorum under the provisions of Section 103 of the Companies Act, 2013.

13. All the documents referred to in the Notice will be available for electronic inspection without fees by the members from the date of circulation of this Notice up to the date of AGM i.e. 31 August 2020. Members seeking to inspect such documents can send an email to secretarial@raunaqintl.com.

14. The Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013 ("the Act"), Register of Contracts or Arrangements in which Directors are interested under Section 189 of the Act and any other documents required by the Act and any other law, will be made available electronically for inspection by Members of the Company at the meeting.

15. Since the AGM will be held through VC/OAVM, the Route Map to reach to the venue of the 55th Annual General Meeting has not been annexed to this Notice.

16. Members seeking any further clarification/information relating to the Annual Financial Statements are requested to write at the Registered Office of the Company at least ONE WEEK before the date of the Meeting i.e. on or before 24 August 2020 to enable the management to keep the information ready at the Meeting.

17. Members are requested to note that under Section 124 of the Companies Act, 2013 read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ('IEPF Rules'), the amount of dividend remaining unpaid or unclaimed for a period of seven years from the date of transfer to Unpaid Dividend Account is required to be transferred to the Investor Education and Protection Fud ('IEPF') constituted by the Central Government of India. Further; all shares in respect of which dividends remain unclaimed/unpaid for seven consecutive years or more, are required to be transferred to designatedDemat Account of the IEPF Authority.

    The Company during the financial year 2019-20 had accordingly, transferred the unpaid and unclaimed dividend amount pertaining to the financial year 2011-2012 along with relevant shares to the IEPF on 23 August, 2019

    The Company has uploaded the information in respect of unpaid and unclaimed dividends for financial year 2011-12 onwards and details of shares transferred to IEPF on the website of the IEPF Authority viz. www.iepf.gov.in and under "Investors Section" on the website of the Company viz. www.raunaqinternational.com.

    Members who have not encashed their dividend warrants/ drafts since 2012-13 are advised to write to the Company or Registrar and Transfer Agent of the Company immediately (for dividend of Financial year 2012-13 on or before 28 August, 2020 since dividend of Financial Year 2012-13 being transferred to "IEPF" on even date), claiming dividends declared by the Company.

    In terms of the Rule6(3) of Investor Education and Protection Fund (IEPF) Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, the necessary communications have been made to the respective shareholders whose shares are required to be transferred to the IEPF so as to enable them to claim their dividend attached to such shares before such dividend and shares are transferred to IEPF during the Financial Year 2020-21 and further, the necessary information in this regard is available on the website of the Company i.e. www.raunaqinternational.com for the convenience of the shareholders. The Company also simultaneously published notice in the leading newspaper in english language and regional language having wide circulation to such shareholders.

    In case valid claim is not received by 28 August, 2020, the respective shares will be credited to the designated demat account of the Authority.

    In terms of the Investor Education and Protection Fund (IEPF) Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 as amended, the detailed procedure for claim of Dividend/Shares transferred to the IEPF Authority along with the details of Nodal Officer appointed by the Company for the purposes of verification of claims and coordination with Investor Education and Protection Fund Authority (IEPF Authority) as communicated to the IEPF Authority has been provided in the Corporate Governance Report forming part of the Annual Report 2019-20.

    Further, the necessary details of Nodal Officer are available on the website of the Company i.e. www.raunaqinternational.com.

18. The Shares of the Company are compulsorily traded in demat mode. Hence, the Members who are still holding physical Share Certificates are advised that it is in their own interest to dematerialize their shareholding to avail benefit of dematerialization viz. easy liquidity, electronic transfer, savings in stamp duty and prevention of forgery.

19. Members who hold shares in physical form in multiple folios in identical names or joint holding in the same order of names are requested to send the Share Certificate(s) to Link Intime India Private Limited, Registrar and Transfer Agent for consolidation into a single folio.

20. Members are requested to register their e-mail address(es) and changes in their particulars like change in address from time to time with Link Intime India Private Limited, Registrar and Transfer Agent for shares held in physical form and with the respective Depository Participants for the shares held in dematerialized form.

21. Members may please note that Securities and Exchange Board of India (SEBI) has made Permanent Account Number (PAN) as the sole identification number of all participants transacting in the securities market, irrespective of the amount of such transactions.

    Further, SEBI has prohibited the transfer of shares in physical form except in case of transmission or transposition of shares. Members holding shares in physical form and intending to transfer their shares are advised to open a demat account with the Depository viz. National Securities Depository Limited (NSDL) or Central Depository Services (India)Limited (CDSL) through respective Depository Participant(s)and transfer their shares after dematerialisation.

22. The members holding shares in physical form may nominate, in the prescribed manner, a person to whom all the rights in the shares shall vest in the event of death of the sole holder or all the joint holders. Members holding shares in demat form may contact their respective Depository Participants for availing this facility and the Registrar in respect of shares held in physical form.

General Guidelines for shareholders:

1. In case the shareholders have any queries or issues regarding e-voting, please refer the Frequently Asked Questions ("FAQs") and Instavote e-Voting manual available at https://instavote.linkintime.co.in, under Help section or write an email to enotices@linkintime.co.in or Call at :- Tel : 022 - 49186000.

2. The remote e-voting period commences on **Friday, 28 August, 2020 at 9.00 A.M. and ends on Sunday, 30 August, 2020 at 5.00 P.M.** During this period members of the Company, holding shares either in physical form or in dematerialized form, as on the **cut-off date** i.e. **Monday, 24 August, 2020** may cast their vote by remote e-voting. The remote e-voting module shall be disabled by LIIPL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.

3. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date i.e. Monday, 24 August, 2020. The person who is not a member as on the cut-off date should treat this Notice for information purpose only.

4. Any person, who acquire shares of the Company and become member of the Company after dispatch of the Notice of the AGM and holding shares as of the cut-off date i.e. Monday, 24 August, 2020, may obtain the user ID and password by sending a request at rajiv.ranjan@linkintime.co.in or delhi@linkintime.co.in. However, if you are already registered with LIIPL for remote e-voting, then you can use your existing user ID and password for casting your vote.

5. A person whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as evoting at the AGM.

6. The Company has appointed Mr. Sanket Jain, Proprietor, M/s Sanket Jain & Co., Company Secretaries, Jhansi, having his office at 'Satyaraj', Behind Hotel Chanda, Civil Lines, Jhansi- 284002 (U.P) as the Scrutinizer to scrutinize the remote e-voting process and evoting at the Annual General Meeting in a fair and transparent manner.

7. The Chairman shall, at the AGM, at the discussion on the resolutions on which voting is to be held, allow voting to be cast by use of evoting facility 'InstaMeet' of LIIPL for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.

8. The Scrutinizer shall after the conclusion of voting at the AGM, will first download the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least Two (2) witnesses not in the employment of the Company and shall make, not later than 48 (forty eight) hours of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.

9. The Results of the AGM shall be declared by the Chairman or person authorized or anyone of the director of the Company after the AGM within the prescribed time limits. The resolutions will be deemed to be passed on the AGM date subject to receipt of the requisite number of votes in favour of the Resolutions.

10. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website www.raunaqinternational.com and on the website of LIIPL and communicated to BSE Limited (BSE) accordingly.

By Order of the Board

Sd/-
Vartika Malhotra
Company Secretary
Membership No. A60245

Dated: 30 June, 2020

EXPLANATORY STATEMENT
(PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013)

Item No. 02

Mr. Sameer Kanwar, aged 43 Years is a Bachelor in Economics from York University, Canada. He received two years training in the areas of Planning, Finance and Control at ZF Friedrichshafen AG, Germany. He has overall experience and exposure in Marketing, Purchase and Management. Mr. Sameer Kanwar is also the Joint Managing Director of Bharat Gears Limited (BGL), a Company within the group since 01 June, 2008. He has a vast experience of 20 years.

The Board of Directors of the Company in its meeting held on 13 November, 2019 appointed Mr. Sameer Kanwar as an Additional Director of the Company in terms of the provisions of Section 161 of the Companies Act, 2013 and Article 164 of the Articles of Association (AOA) of the Company.

Under Section 161(1) of the Companies Act, 2013 read with Article 164 of the Articles of Association (AOA) of the Company, Mr. Sameer Kanwar holds office only upto the date of this Annual General Meeting of the Company.

The necessary information/disclosure in compliance with Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard(SS-2) issued by the Institute of Company Secretaries of India relating to Mr. Sameer Kanwar has been provided in a separate section of this Notice.

In terms of the provisions of Section 152 and other applicable provisions of the Companies Act, 2013, Mr. Sameer Kanwar being eligible and offering himself for appointment, is proposed to be appointed as a Non-Executive Director of the Company, liable to retire by rotation.

In terms of the provisions of the Companies Act, 2013, Mr. Sameer Kanwar has filed requisite consent(s)/disclosures before the Board.

The Company has also received an intimation from Mr. Sameer Kanwar in Form DIR-8 to the effect that he is not disqualified and further confirmed that he is not debarred by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority to be appointed as a Director in any Company.

A notice has been received from a member under Section 160 of the Companies Act, 2013 signifying their intention to propose Mr. Sameer Kanwar as a candidate for the office of Non-Executive Director of the Company.

In the opinion of the Board, Mr. Sameer Kanwar fulfills the conditions specified in the Companies Act, 2013 and rules made thereunder for his appointment as a Non-Executive Director of the Company.

Accordingly, the Board recommends the resolution in relation to appointment of Mr. Sameer Kanwar as a Non-Executive Director of the Company liable to retire by rotation, for the approval by the members of the Company, by way of an Ordinary resolution.

Except Mr. Sameer Kanwar, Mr. Surinder Paul Kanwar and Mr. Sachit Kanwar, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 02 of the Notice.

INSPECTION OF DOCUMENTS

All resolutions passed in this regard are available for elctronic inspection without fees by the members from the date of circulation of this Notice up to the date of AGM i.e. 31 August, 2020 and shall also be available at the meeting.

Item No. 03

Mr. Naresh Kumar Verma, aged 60 Years is a master in Commerce and holds a Post Graduate Diploma in Personnel Management & Industrial Relations. He is having a rich experience of 38 years. He has served in various renowned Companies like VXL India Limited, Bhartia Curtler Hammer, Daikin Shriram Air Conditioning etc. and currently holds the designation of Corporate Head-HR & Operations in Bharat Gears Limited, a Company within the group.

The Board of Directors of the Company vide its Circular Resolution passed on 04 December, 2019 appointed Mr. Naresh Kumar Verma as an Additional Director of the Company in terms of the provisions of Section 161 of the Companies Act, 2013 and Article 164 of the Articles of Association (AOA) of the Company.

Under Section 161(1) of the Companies Act, 2013 read with Article 164 of the Articles of Association (AOA) of the Company, Mr. Naresh Kumar Verma holds office only upto the date of this Annual General Meeting of the Company.

The necessary information/disclosure in compliance with Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard (SS-2) issued by the Institute of Company Secretaries of India relating to Mr. Naresh Kumar Verma has been provided in a separate section of this Notice.

In terms of the provisions of Section 152 and other applicable provisions of the Companies Act, 2013, Mr. Naresh Kumar Verma being eligible and offering himself for appointment, is proposed to be appointed as a Non-Executive Director of the Company, liable to retire by rotation.

In terms of the provisions of the Companies Act, 2013, Mr. Naresh Kumar Verma has filed requisite consent(s)/ disclosures before the Board.

The Company has also received an intimation from Mr. Naresh Kumar Verma in Form DIR-8 to the effect that he is not disqualified and further confirmed that he is not debarred by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority to be appointed as a Director in any Company.

A notice has been received from a member under Section 160 of the Companies Act, 2013 signifying their intention to propose Mr. Naresh Kumar Verma as a candidate for the office of Non-Executive Director of the Company.

In the opinion of the Board, Mr. Naresh Kumar Verma fulfills the conditions specified in the Companies Act, 2013 and rules made thereunder for his appointment as a Non-Executive Director of the Company.

Accordingly, the Board recommends the resolution in relation to appointment of Mr. Naresh Kumar Verma as a Non-Executive Director of the Company liable to retire by rotation, for the approval by the members of the Company, by way of an Ordinary resolution.

Except Mr. Naresh Kumar Verma, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 03 of the Notice.

INSPECTION OF DOCUMENTS

All resolutions passed in this regard are available for elctronic inspection without fees by the members from the date of circulation of this Notice up to the date of AGM i.e. 31 August, 2020 and shall also be available at the meeting.

Item No. 04

Dr. Sanjeev Kumar, aged 61 years is a Non-Executive Independent Director of the Company since 25 May, 2006. He is a Post Graduate in Commerce, Ph.D., LL.B., and PGDIPRL. He is also the fellow member of "Institute of Company Secretaries of India" and "Institute of Cost Accountants of India". He has over 35 years of experience in corporate and economic laws, corporate finance, accounts, costing, budgeting, MIS, systems, corporate affairs, merchant banking, mutual funds etc.

The members of the Company in their Annual General Meeting held on 30 July, 2015 approved the appointment of Dr. Sanjeev Kumar as a Non-Executive Independent Director of the Company for a period of 5 (Five) Years upto the conclusion of the 55th Annual General Meeting (AGM) of the Company in the Calendar Year 2020 in terms of the provisions of Section 149 of the Companies Act, 2013 read with the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force).

In terms of the above, the present tenure of Dr. Sanjeev Kumar as a Non-Executive Independent Director of the Company expires at this Annual General Meeting (AGM).

In terms of the provisions of Section 149(10) of the Companies Act, 2013, an Independent Director shall hold office for a term of up to 5 (Five) consecutive years on the Board of the Company, but such Independent Director shall be eligible for re-appointment for another term of up to 5 (Five) consecutive years with the approval of members by way of a Special resolution.

The Board of Directors of the Company in its meeting held on 30 June, 2020, based on the outcome of performance evaluation process and in terms of recommendation of the Nomination and Remuneration Committee in its meeting held on even date considered and approved the re-appointment of Dr. Sanjeev Kumar as a Non-Executive Independent Director of the Company in terms of provisions of Section 149 of the Companies Act, 2013 for a second term of 5 (Five) consecutive years upto the conclusion of the 60th Annual General Meeting (AGM) of the Company in the Calendar year 2025, subject to the approval of members by way of Special resolution.

The necessary information/disclosure in compliance with Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard (SS-2) issued by the Institute of Company Secretaries of India relating to Dr. Sanjeev Kumar has been provided in a separate section of this Notice.

In terms of the provisions of the Companies Act, 2013, Dr. Sanjeev Kumar has filed requisite consent(s)/disclosures before the Board.

The Company has also received an intimation from Dr. Sanjeev Kumar in Form DIR-8 to the effect that he is not disqualified and further confirmed that he is not debarred by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority to be appointed as a Director in any Company. A notice has been received from a member under Section 160 of the Companies Act, 2013 signifying their intention to propose Dr. Sanjeev Kumar as a candidate for the office of Non-Executive Independent Director of the Company.

The Company has received a declaration from Dr. Sanjeev Kumar confirming that he meets the criteria of independence as prescribed under Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In the opinion of the Board, Dr. Sanjeev Kumar fulfills the conditions specified in the Companies Act, 2013 and rules made thereunder for his re-appointment as a Non-Executive Independent Director of the Company and is independent of the management.

Accordingly, the Board recommends the resolution in relation to re-appointment of Dr. Sanjeev Kumar as a Non-Executive Independent Director of the Company, for the approval by the members of the Company, by way of a Special resolution.

Except Dr. Sanjeev Kumar, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 04 of the Notice.

INSPECTION OF DOCUMENTS

All resolutions passed in this regard are available for elctronic inspection without fees by the members from the date of circulation of this Notice up to the date of AGM i.e. 31 August, 2020 and shall also be available at the meeting.

Item No. 05

Ms. Seethalakshmi Venkataraman, aged 77 Years is a Non-Executive Independent Director of the Company since 28 March, 2015. She has done Masters in Economics from the University of Delhi. She was a research associate with All India Management Association and Faculty Research Associate in Indian Institute of Management, Ahmedabad. She has also researched on the Introduction of Management Education in India (a Ford Foundation Project). She has also worked as Senior Manager (HRD) with NTPC Limited for over 20 years and also worked on Non Profit Management Modules for a Project for Getty Foundation, USA. She was a Member Secretary with the Sanskrit Foundation, New Delhi.

The members of the Company in their Annual General Meeting held on 30 July, 2015 approved the appointment of Ms. Seethalakshmi Venkataraman as a Non-Executive Independent Director of the Company for a period of 5 (Five) Years upto the conclusion of the 55th Annual General Meeting (AGM) of the Company in the Calendar Year 2020 in terms of the provisions of Section 149 of the Companies Act, 2013 read with the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force).

In terms of Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Regulations") as amended effective 01 April, 2019, No listed entity shall appoint a person or continue the directorship of any person as a Non-Executive Director who has attained the age of seventy five years unless a special resolution is passed to that effect, in which case the explanatory statement annexed to the notice for such motion shall indicate the justification for appointing such a person.

Therefore, the members of the Company, at their Annual General Meeting held on 05 August, 2019 approved the continuation of Ms. Seethalakshmi Venkataraman as a Non-Executive Independent Director of the Company w.e.f. 01 April, 2019 till the end of her current tenure upto the conclusion of the 55th Annual General Meeting (AGM) of the Company in the Calendar Year 2020 in terms of the provisions of Section 149 of the Companies Act, 2013, the age of Ms. Seethalakshmi Venkataraman being more than seventy five years as on 01 April, 2019.

In terms of the above, the present tenure of Ms. Seethalakshmi Venkataraman as a Non-Executive Independent Director of the Company expires at this Annual General Meeting (AGM).

In terms of the provisions of Section 149(10) of the Companies Act, 2013, an Independent Director shall hold office for a term of up to 5 (Five) consecutive years on the Board of the Company, but such Independent Director shall be eligible for re-appointment for another term of up to 5 (Five) consecutive years with the approval of members by way of a Special resolution.

The Board of Directors of the Company in its meeting held on 30 June, 2020, based on the outcome of performance evaluation process and in terms of recommendation of the Nomination and Remuneration Committee in its meeting held on even date considered and approved the re-appointment of Ms. Seethalakshmi Venkataraman as a Non-Executive Independent Director of the Company in terms of provisions of Section 149 of the Companies Act, 2013 read with Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Regulations") as amended, for a second term of 5 (Five) consecutive years upto the conclusion of the 60th Annual General Meeting (AGM) of the Company in the Calendar year 2025, subject to the approval of members by way of Special resolution, the age of Ms. Seethalakshmi Venkataraman being more than seventy five years at the commencement of her proposed tenure.

The necessary information/disclosure in compliance with Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard (SS-2) issued by the Institute of Company Secretaries of India relating to Ms. Seethalakshmi Venkataraman has been provided in a separate section of this Notice.

In terms of the provisions of the Companies Act, 2013, Ms. Seethalakshmi Venkataraman has filed requisite consent(s)/ disclosures before the Board.

The Company has also received an intimation from Ms. Seethalakshmi Venkataraman in Form DIR-8 to the effect that she is not disqualified and further confirmed that she is not debarred by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority to be appointed as a Director in any Company.

A notice has been received from a member under Section 160 of the Companies Act, 2013 signifying their intention to propose Ms. Seethalakshmi Venkataraman as a candidate for the office of Non-Executive Independent Director of the Company.

The Company has received a declaration from Ms. Seethalakshmi Venkataraman confirming that she meets the criteria of independence as prescribed under Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Ms. Seethalakshmi Venkataraman has a diversified experience in the field of Human Resource and Management and had a long tenure with NTPC Limited over 20 years. She was a research associate with All India Management Association and Faculty Research Associate in Indian Institute of Management, Ahmedabad. She has also researched on the Introduction of Management Education in India (a Ford Foundation Project). She has also worked as Senior Manager (HRD) with NTPC Limited for over 20 years and also worked on Non Profit Management Modules for a Project for Getty Foundation, USA. She was a Member Secretary with the Sanskrit Foundation, New Delhi. Since Ms. Seethalakshmi Venkataraman had been associated for a long tenure with NTPC Limited, she is well versed with the detailed operation processes including tendering, execution etc. that can be useful for the Company while making strategies for quoting and execution of projects for NTPC Limited through a straight line mechanism and on a broader perspective for execution of projects for other clients.

In view of her enriched experience and appreciable contribution, the approval of members by way of Special resolution is being sought to appoint Ms. Seethalakshmi Venkataraman as a Non-Executive Independent Director of the Company for a period of 5 (Five) Years upto the conclusion of the 60th Annual General Meeting (AGM) of the Company in the Calendar year 2025 in terms of the provisions of Section 149 of the Companies Act, 2013.

In the opinion of the Board, Ms. Seethalakshmi Venkataraman fulfills the conditions specified in the Companies Act, 2013 and rules made thereunder for her re-appointment as a Non-Executive Independent Director of the Company and is independent of the management.

Accordingly, the Board recommends the resolution as set out at Item No. 05 of the Notice in relation to re-appointment of Ms. Seethalakshmi Venkataraman as a Non-Executive Independent Director, for the approval by the members of the Company, by way of a Special resolution.

Except Ms. Seethalakshmi Venkataraman, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 05 of the Notice.

INSPECTION OF DOCUMENTS

All resolutions passed in this regard are available for elctronic inspection without fees by the members from the date of circulation of this Notice up to the date of AGM i.e. 31 August, 2020 and shall also be available at the meeting.

Item No. 06

The Company has a wholly owned subsidiary Company, Xlerate Driveline India Limited (XDIL) with an investment of 1,48,77,038 (One Crore Forty Eight Lakhs Seventy Seven Thousand Thirty Eight) Equity Shares of Rs. 10/- (Rupees Ten) each. XDIL is into the business of manufacturing and trading of Automotive clutches which is a non-core business for the Company as the Company has been in the EPC business for the more than four decades.

Your Company has been in the process of raising funds by offloading the stake in XDIL, earlier Bharat Gears Limited (BGL) has shown interest in acquiring the stake in XDIL, but later cancelled the transaction for its internal financial stress due to the slow down in the auto sector.

Now, for the funds requirements of the Company which have been further stretched due to the impact of Covid-19 pandemic spread across the globe, so as to support the Company in these

challenging times, it is proposed to dispose of substantial investment in Xlerate Driveline India Limited (XDIL) to Mr. Sachit Kanwar, Promoter and Joint Managing Director of the Company. Mr. Sachit Kanwar has agreed to acquire 82,14,000 (55.21%) Equity Shares held by the Company in Xlerate Driveline India Limited (XDIL) out of its 100% stake in Xlerate Driveline India Limited (XDIL) in one or more tranches at a price of around Rs. 4.87 (Rupees Four and Paisa Eighty Seven Only) per Equity Share, total consideration being Rs. 4,00,02,180/- (Rupees Four Crores Two Thousand One Hundred Eighty Only). The fair value of the equity shares of Xlerate Driveline India Limited (XDIL) is Rs. 4.87 per equity share computed by Mr. Vaibhav Jain, IBBI Registered Valuer (Registration No. IBBI/RV/06/2018/10016), whose valuation report was considered and taken on record by the Board of Directors of the Company at its meeting held on 30 June, 2020. Further, Board of Directors of the Company on the even date has approved the disposal of 82,14,000 (55.21%) Equity Shares held by the Company in Xlerate Driveline India Limited (XDIL) out of its 100% stake in XDIL to Mr. Sachit Kanwar, Promoter and Joint Managing Director of the Company in one or more tranches subject to the approval of the members.

Your directors believe that selling of the aforesaid stake in Xlerate Driveline India Limited would be beneficial to your Company in the long term, as the proceeds of the stake sale partly could be utilised to pay off the debts which will drastically bring down the financial burden of the Company and thereafter the Company can concentrate on procuring the projects in the water sector and bidding across international borders with having sufficient credit lines.

The proposed sale of investments held by the Company in Xlerate Driveline India Limited may amount to disposal of substantially whole of the undertaking which requires the consent of the Company by a Special Resolution under the provisions of Section 180(1)(a) of the Companies Act, 2013 and Regulation 24 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Acquirer is a related party to your Company in terms of the provisions of Section 2(76) of the Companies Act, 2013, and accordingly as required under the provisions of Section 188 of the Companies Act, 2013 read with the Companies (Meeting of Board and its Powers) Rules 2014, Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulation 2015 and our Policy on the Related Party Transactions, the proposed transaction with the Acquirer shall be treated as a material Related Party Transaction which warrants your Company to seek for approval of the members by means of an Ordinary Resolution.

All related parties shall abstain from voting on the transaction pursuant to the provisions of the proviso to Section 188 of the Companies Act, 2013 and Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulation 2015.

The particulars of the transaction pursuant to the provisions of Section 188 of the Companies Act, 2013 read with Rule 15(3) of the Companies (Meeting of Board and its Powers) Rules, 2014 are as under:

Name of the related party	Mr. Sachit Kanwar, Promoter and Joint Managing Director, the Acquirer and Xlerate Driveline India Limited (XDIL), the Target Company
Name of the director or key managerial personnel who is related, if any	Mr. Surinder Paul Kanwar, Chairman and Managing Director, Mr. Sachit Kanwar Joint Managing Director, Dr Sanjeev Kumar, Non Executive Independent Director and Mr. Rajiv Chandra Rastogi, Non Executive Independent Director are the Directors on the Board of XDIL. Mr. Himanshu Goyal, Chief Financial Officer and Ms. Vartika Malhotra, Company Secretary are the Chief Financial Officer and Company Secretary of XDIL respectively.
Nature of relationship	Mr. Sachit Kanwar, the Acquirer is the Promoter & Joint Managing Director and Xlerate Driveline India Limited (XDIL), the Target Company is a Wholly Owned Subsidiary Company and both are related parties in terms of the provisions of Section 2(76) of the Companies Act, 2013.
Nature, material terms and monetary value of the contract or arrangement	The Contract/arrangement pertaining to the sale of shares by Raunaq EPC International Limited held in Xlerate Driveline India Limited to Mr. Sachit Kanwar, Promoter and Joint Managing Director of the Company as mentioned in the resolution no. 06 of this Notice and its explanatory statement. The total consideration proposed for the said acquisition is Rs. 4,00,02,180/- (Rupees Four Crores Two Thousand One Hundred Eighty Only) i.e. around Rs. 4.87 per Equity Share which is as per the fair value of Rs. 4.87 per Equity Share computed by Mr. Vaibhav Jain, IBBI Registered Valuer (Registration No. IBBI/RV/06/2018/10016)
Any other information relevant or important for the members to take a decision on the proposed resolution	None

Therefore, the Board of Directors of your Company recommends the passing of the resolution in Item No. 06 of the Notice as a Special Resolution under Section 180(1)(a) and 188 of the Companies Act, 2013.

Except Mr. Surinder Paul Kanwar and his sons Mr. Sameer Kanwar & Mr. Sachit Kanwar, none of the Directors or Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 06 of the Notice.

INSPECTION OF DOCUMENTS

All resolutions passed in this regard and the Valuation Report are available for electronic inspection without fees by the members from the date of circulation of this notice upto the date of AGM i.e. 31 August, 2020 and shall also be available at the meeting.

By Order of the Board

Sd/-
Vartika Malhotra
Company Secretary
Membership No. A60245

Dated: 30 June, 2020

Details required under Section 102 of the Companies Act, 2013 in respect of the Directors proposed to be appointed at the ensuing Annual General Meeting (AGM) and their Brief Resume have been provided under the Explanatory Statement annexed to this Notice. The other Information/Disclosure in compliance with the Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard (SS-2) issued by the Institute of Company Secretaries of India have been provided herein below:

Particulars	Item No. 02	Item No. 03	Item No. 04	Item No. 05
Name of Director	Mr. Sameer Kanwar	Mr. Naresh Kumar Verma	Dr. Sanjeev Kumar	Ms. Seethalakshmi Venkataraman
DIN	00033622	07087356	00364416	07156898
Brief Resume	As detailed in Explanatory Statement above for Item 02 of the Notice	As detailed in Explanatory Statement above for Item 03 of the Notice	As detailed in Explanatory Statement above for Item 04 of the Notice	As detailed in Explanatory Statement above for Item 05 of the Notice
Category of Director	Non-Executive Non Independent Director	Non-Executive Non Independent Director	Non-Executive Independent Director	Non-Executive Independent Director
Date of Birth (Age in Years)	24 December, 1977 (43)	08 June, 1960 (60)	05 January, 1959 (61)	11 July, 1943 (77)
Date of Appointment on the Board	13 November, 2019	04 December, 2019	25 May, 2006	28 March, 2015
Qualification	Bachelor of Economics	Masters in Commerce, Post Graduate Diploma in Personnel Management & Industrial Relations	Masters in Commerce, Ph.D., LL.B., PGDIPRL, Fellow member of "Institute of Company Secretaries of India" and "Institute of Cost Accountants of India"	Masters in Economics
No. of years of Experience	20 Years	38 Years	35 Years	25 Years
Expertise in specific functional areas	Knowledge of Core Business i.e. EPC, Knowledge of Macro Environment vis-à-vis Industry, Financial Literacy, Ability to read Financial Statements	Strategic Planning, Ability to read Financial Statements, Human Resource Management & Industrial Relations	Knowledge of Core Business i.e. EPC, Strategic Planning, Knowledge of Macro Environment vis-à-vis Industry, Financial Literacy, Ability to read Financial Statements	Knowledge of Core Business i.e. EPC, Project Analysis and Marketing, Financial Literacy, Ability to read Financial Statements
Terms and conditions of appointment/re-appointment	As detailed in Explanatory Statement above for Item 02 of the Notice The other terms and conditions are available at the website of the Company at www.raunaqinternational.com	As detailed in Explanatory Statement above for Item 03 of the Notice The other terms and conditions are available at the website of the Company at www.raunaqinternational.com	As detailed in Explanatory Statement above for Item 04 of the Notice The other terms and conditions are available at the website of the Company at www.raunaqinternational.com	As detailed in Explanatory Statement above for Item 05 of the Notice The other terms and conditions are available at the website of the Company at www.raunaqinternational.com
Chairmanship/ Membership of Committees of the Company	NIL	NIL	Chairman-Audit Committee Chairman-Nomination and Remuneration Committee Chairman-Share Issue Committee Chairman-Business Strategy Committee Member-Finance Committee	Member-Audit Committe
Directorships held in other Companies	Bharat Gears Limited# Nexus Driveline India Private Limited Samreet Investment and Management Consultancy Private Limited	NIL	Xlerate Driveline India Limited BPA Advisory Limited BPA Estates Private Limited Nitshu Solutions Private Limited Bolster Juris IBP Private Limited	NIL

Chairmanship/Membership of committees of other Companies		NIL	Xlerate Driveline India Limited: Chairman- Audit Committee Chairman- Nomination And Remuneration Chairman- Finance Committee	NIL
Number of Board Meetings attended during the year	0*	1*	2	5
Relationships between Directors inter-se	Son of Mr. Surinder Paul Kanwar, Chairman and Managing Director and Brother of Mr. Sachit Kanwar, Joint Managing Director of the Company	None	None	None
Relationships with Manager and other Key Managerial Personnel of the Company	None	None	None	None
Remuneration details (Including Sitting Fees & Commission) and last remuneration drawn	Please refer to the 'Report on Corporate Governance', forming part of the Annual Report 2019-20.			
Number of Shares held in the Company as on 31 March, 2020	NIL	13	NIL	NIL
* 1 (One) Board Meeting held after appointment.				

#Indicates Listed Company

By Order of the Board

Sd/-
Vartika Malhotra
Company Secretary
Membership No. A60245

Dated: 30 June, 2020

RAUNAQ EPC INTERNATIONAL LIMITED

Annual Report
2019-20



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Disclaimer Regarding Forward-Looking Statements

We have used a few forward-looking (futuristic) statements throughout the report solely to articulate our future growth prospects and to exemplify our intended milestones. However, the actual results may vary from the forward-looking statements as the business is subject to a number of risks and uncertainties according to the market scenario. For reader's reference, we have used words like 'anticipate', 'estimate', 'expect', 'project', 'intend', 'plan', 'believe' and words of similar nature to signify every forward-looking statement. We do not guarantee that these statements will stand true, but we believe that these are backed up by prudent assumptions. The achievement of the result may vary due to risks, uncertainties and inaccurate assumptions. If in case, certain unforeseen risks or uncertainties dominate the market or any of the assumptions proved erroneous, then the final result may vary exponentially with respect to the anticipated, estimated or projected result. Thus, the readers should bear this in their mind.

We undertake no obligation to update any forward-looking statements publically, if there is any change in future events, there is new information, or whatsoever.

COMPANY SYNOPSIS

CORPORATE OVERVIEW

- Raunaq EPC International Limited (REIL) established in 1965 is a Company of Surinder P. Kanwar Group.
- Group Companies include Bharat Gears Limited, Clip-Lok Simpak (India) Private Limited and Xlerate Driveline India Limited.
- REIL has a 100% stake in Xlerate Driveline India Limited which carries out the business of manufacturing of Automotive Clutch Systems.

EPC BUSINESS

- Industrial Piping systems for:
  - Power plant piping
  - Utility Industrial piping
  - Large Dia piping
  - Ash/sludge disposal piping
  - Process piping
- Cross country pipeline and piping systems
- Storage tanks and oil handling systems
- Ash water recirculation systems
- Compressed air systems
- Fire water systems
- Site fabrication and equipment erection works

REIL CLIENTELE

AUTOMOTIVE COMPONENTS BUSINESS

Raunaq, through Xlerate Driveline India Limited specializes in manufacturing of clutch plates and clutch cover assemblies for the commercial vehicles.

Major Product(s) and Technologies:

- Clutch Plates
- Dry-friction clutch assemblies
- Majority Single-plate push-type category
- Sizes wide spread from 180 mm to 240 mm and 352 mm to 430 mm

Major Consumer Categories:

- Heavy Commercial Vehicles
- Light Commercial Vehicles

XDIL DEALERS NETWORK

Jammu & Kashmir	6
Himachal Pradesh	1
Punjab	1
Delhi	5
Haryana	2
Rajasthan	2
Uttar Pradesh	3
Uttarakhand	1
Gujarat	1
Madhya Pradesh	4
Chhattisgarh	2
Maharashtra	18
Goa	1
Bihar	2
Jharkhand	1
Odisha	2
West Bengal	4
North Eastern States	4
Andhra Pradesh	1
Telangana	1
Karnataka	3
Tamilnadu	6
Kerala	5
Total Dealers - Pan-India	**76**





Quality

"Quality is at the very core of Xlerate Driveline. We are committed to deliver products of exceptional quality to our customers through fair practices, quick turnaround times and dedicated people".

Mission & Vision

To be a frontrunner in the Indian clutch industry through best-in-class product quality, innovation in value engineering and outstanding after-sales support.

Outlook

The Company focuses on leveraging existing OEM credentials to expand its OEM business portfolio necessary for scaling operations and effectively sweating production lines.

New Developments are happening at OEM's and are at final stages. Commercial Settlement are going for new ranges.





OPERATIONAL HIGHLIGHTS

REIL - PROJECTS EXECUTION

The Company has abled to bag an order of Rs. 1350 Lakhs on 01 May, 2019 for Construction of Circulating Water System works for 2x800 MW APJL Project, Godda from HTG Engineering Private limited for Adani Power (Jharkhand) Limited.

In terms of the execution, some of the major projects that the Company successfully worked on during FY 2019-20 include

- Fabrication and erection of Large Dia CW piping system at NUPPL Ghatampur 3x660MW for GE Power Systems.
- Fabrication and erection of Large Dia CW piping system at 1x660 MW Harduaganj extension – II project for Toshiba.
- Additional Ash water re-circulation project at NTPC Ramagundam 2600 MW.









XDIL - OPERATIONAL OVERVIEW

During recession in the Automobile Sector specifically commercial Sector, XDIL still managed to retain the last year revenues.
This is mainly due to increase in the market share in the subdued auto market in the aftermarket.
Also maintained the existing levels in the OES segment.
Development for new product range - for established OEM commercial manufacturers namely 395 Dia and 330 Dia Clutch for Aftermarket and Institutional Customers.
Complete Indian commercial Range, 430 Dia Clutch for other Commercial OEM players is under development. Design benchmarking and feasibility studies have been conducted.







CHAIRMAN'S MESSAGE



Dear Shareholders,

Greetings to all of you. It is my pleasure to present to you the Annual Report of your Company for FY 2019-20 and share the key highlights and the strategic roadmap going forward. The ongoing hardship of the Company due to the prolong depressed power sector has been further aggravated due to the widespread outbreak of Covid-19 pandemic which has imposed a global economic recession.

Stringent restrictions imposed to curtail the spread of the virus and the subsequent nationwide lockdown have disrupted livelihoods, supply chains and overall economic activity in the country. The crisis has dimmed the growth outlook for the global economy for the coming year, including for India.

SUPPORT MEASURES

A stimulus package of Rs. 20 lakh crores has been announced under the 'Atmanirbhar Bharat Abhiyan' to help the economy tide over the crisis. It focusses on making India self reliant and special emphasis has been given on medium and small businesses, agriculture, labourers, urban and rural poor. Along with this, the Reserve Bank of India (RBI) has also announced a couple of measures including rate cuts, loan repayment moratorium, additional liquidity support, etc. to maintain financial stability.

INDUSTRY REVIEW

Power is one of the most critical components of infrastructure crucial for the economic growth and welfare of nations. As the lockdown has severely reduced the industrial and commercial activities in the country, these segments would have seen a considerable decline in demand for electricity. Power distribution companies (discoms) buy power from generation companies and supply it to consumers. One of the key concerns in the Indian power sector has been the poor financial health of its discoms. The discoms have had high levels of debt and have been running losses. Due to the lockdown and its further impact in the near term, the financial situation of discoms is likely to be aggravated.

Part of the package announced by the Finance Minister Smt. Nirmala Sitharaman, Rs. 90,000 crores was allocated to power distribution companies (or discoms) in order to clear their dues with gencos (or electricity generation companies), who in turn can clear their outstanding dues with suppliers. Your Company can get the overdue outstanding from one of the Electric generation Company under this scheme.

PERFORMANCE REVIEW FOR THE YEAR

In FY 2019-20, there is a downturn in the total revenue of the Company from Rs. 5204.59 Lakhs in FY 2018-19 to Rs. 2222.00 Lakhs in FY 2019-20. The Company has struggled to bag new orders due to the continuous adverse market conditions in the power sector especially thermal power.

However, the Company has abled to bag an order worth Rs. 1350 Lakhs on 01 May, 2019 for Construction of Circulating Water System works for 2x800 MW APJL Project, Godda from HTG Engineering Private limited for Adani Power (Jharkhand) Limited.
Under the wholly owned subsidiary Company, Xlerate Driveline India Limited, a revenue of Rs. 4331.89 lakhs has been registered against the previous year's revenue of Rs. 4678.46 lakhs in FY 2018-19. This is mainly due to enhancement in the market share in the subdued auto market in the aftermarket business. Further, maintaining the existing levels in the OES segment.

PORTFOLIO EXPANSION

Your Company has been trying to diversify itself by entering into water distribution segment for which your Company is exploring many ways and means to bid for the projects under partnership and in collaboration with the Companies which are already into this segment. Due to prolong depressed market, your Company had been trying to raise funds by diluting its stake in Xlerate Driveline India Limited (XDIL) which has not been materialised. However, the Company's Board has approved the fresh proposal subject to the shareholders' approval for diluting the stake in XDIL for raising funds for EPC Business and discharging the financial liabilities.

Simultaneously, the Company is focused to effectively complete the current projects under execution within time.

BUSINESS OUTLOOK

Though the short-term economic outlook may appear gloomier in the wake of the pandemic, government stimulus package and gradual resumption of economic activities are expected to revive consumer sentiment. Sustained spending on infrastructure and thrust on domestic manufacturing will lead to a rise in business activity. Measures such as reduced tax rates for individuals and greater allocations to agriculture and allied sectors will invigorate consumption and boost the rural economy.
With our sustained track record of timely execution and engineering capabilities, we are focusing on the water distribution system as this sector holds ample potential in a country like India wherein the government's main thrust is to provide better connectivity of water resources under their key projects for irrigation, drinking and interlinking the rivers. The said scope have led to increase the orders in pipeline and your Company can be benefited out of it.

CLOSING REMARK

I would like to extend my sincerest gratitude to our employees, customers, partners, business associates and our stakeholders for their undying faith and support. Each one has been a part of our exciting and enriching journey. We continue to seek value creation for our stakeholders and persevere in building a sustainable business. Here is hoping for a brighter and stronger future together.

Warm Regards,



Surinder Paul Kanwar
Chairman and Managing Director

BOARD OF DIRECTORS AND MANAGEMENT TEAM

BOARD OF DIRECTORS



Mr. Surinder Paul Kanwar
Chairman & Managing Director



Mr. Sachit Kanwar
Joint Managing Director



Mr. Sameer Kanwar
Non-Executive Director



Dr. Sanjeev Kumar
Non-Executive Independent Director



Mr. P.K. Mittal
Non-Executive
Independent Director



Ms. Seethalakshmi Venkataraman
Non-Executive
Independent Director



Mr. Rajiv Chandra Rastogi
Non-Executive
Independent Director



Mr. Naresh Kumar Verma
Non-Executive Director

MANAGEMENT TEAM



Mr. Rajan Malhotra
Chief Executive Officer



Mr. A.D. Jain
Vice President (Construction)



Mr. Nitin Jain
DGM (Sales & Marketing)

CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors
Mr. Surinder Paul Kanwar, Chairman & Managing Director
Mr. Sachit Kanwar, Joint Managing Director
Non-Executive Directors
Mr. Sameer Kanwar
Mr. Naresh Kumar Verma
Independent Directors
Dr. Sanjeev Kumar
Mr. P.K. Mittal
Ms. Seethalakshmi Venkataraman
Mr. Rajiv Chandra Rastogi

AUDIT COMMITTEE
Dr. Sanjeev Kumar
Mr. P.K. Mittal
Mr. Rajiv Chandra Rastogi
Ms. Seethalakshmi Venkataraman

STAKEHOLDERS' RELATIONSHIP COMMITTEE
Mr. P.K. Mittal
Mr. Surinder Paul Kanwar
Mr. Sachit Kanwar

NOMINATION & REMUNERATION COMMITTEE
Dr. Sanjeev Kumar
Mr. Surinder Paul Kanwar
Mr. P.K. Mittal
Mr. Rajiv Chandra Rastogi

FINANCE COMMITTEE
Mr. P.K. Mittal
Mr. Surinder Paul Kanwar
Mr. Sachit Kanwar
Dr. Sanjeev Kumar

SHARE ISSUE COMMITTEE
Dr. Sanjeev Kumar
Mr. Surinder Paul Kanwar
Mr. Sachit Kanwar
Mr. P.K. Mittal

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE
Mr. Surinder Paul Kanwar
Mr. Sachit Kanwar
Mr. P.K. Mittal

BUSINESS STRATEGY COMMITEE
Dr. Sanjeev Kumar
Mr. Surinder Paul kanwar
Mr. Sachit Kanwar
Mr. P.K. Mittal

SENIOR MANAGEMENT
Mr. Rajan Malhotra, *CEO*
Mr. A.D. Jain
Mr. Nitin Jain

AUDITORS
M/s B.R. Maheswari & Co. LLP

CHIEF FINANCIAL OFFICER
Mr. Himanshu Goyal

COMPANY SECRETARY
Ms. Vartika Malhotra
(Resigned w.e.f. 03 July, 2020)

BANKERS
State Bank of India
ICICI Bank Ltd.
IndusInd Bank Ltd.

REGISTRAR & TRANSFER AGENT
Link Intime India Private Limited
Noble Heights, 1st Floor, Plot No. NH-2,
C-1 Block LSC, Near Savitri Market,
Janakpuri, New Delhi-110 058
Ph: 011-41410592-94, 49411000
Fax: 011-41410591
E-mail: delhi@linkintime.co.in

REGISTERED OFFICE
20 K.M. Mathura Road, P. O. Amar Nagar,
Faridabad - 121 003 (Haryana)

OTHER OFFICES
- 1009, Surya Kiran Building,
  19, Kasturba Gandhi Marg,
  New Delhi - 110 001
- 14th Floor, Hoechst House, Nariman Point,
  Mumbai - 400 021
- Mookherjee House, 17, Brabourne Road,
  Kolkata - 700 001



In FY15, the Company's Board of directors approved the Corporate Social Responsibility (CSR) policy on the recommendation of the CSR committee in terms of provisions of Section 135 of the Companies Act, 2013. The said policy is available on the website of the Company i.e. www.raunaqinternational.com under the link: http://www.raunaqinternational.com/pdf/corporate_social_responsibility_CSR_policy.pdf. The broader activities proposed to be undertaken by the Company are incorporated under the CSR policy in line with the activities prescribed under the Schedule VII of the Companies Act, 2013. These include:

- Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation (including contribution to the Swach Bharat Kosh set-up by the Central Government for promotion of sanitation) and making available safe drinking water.
- Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects.
- Promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centers and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups.
- Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water (including contribution to the Clean Ganga Fund set-up by the Central Government for rejuvenation of river Ganga).
- Protection of national heritage, art and culture including restoration of building and sites of historical importance and works of art and setting up of public libraries; promotion and development or traditional arts and handicrafts.
- Measures for the benefit of armed forces veterans, war widows and their dependents.
- Training to promote rural sports, nationally recognized sports, Paralympic and Olympic sports.
- Contribution to the Prime Minister's National Relief Fund or any other fund set up by the Central Government for socio-economic development and relief and welfare or the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities and women.
- Contribution to incubators funded by Central Government or State Government or any agency or Public Sector Undertaking of Central Government or State Government, and contributions to public funded Universities, Indian Institute of Technology (IITs), National Laboratories and Autonomous Bodies (established under the auspices of Indian Council of Agricultural Research (ICAR), Indian Council of Medical Research (ICMR), Council of Scientific and Industrial Research (CSIR), Department of Atomic Energy (DAE), Defence Research and Development Organisation (DRDO), Department of Science and Technology (DST), Ministry of Electronics and Information Technology engaged in conducting research in science, technology, engineering and medicine aimed at promoting Sustainable Development Goals (SDGs).
- Rural Development projects.
- Slum area development.
- Disaster management, including relief, rehabilitation and reconstruction activities.

Due to the loss during the previous years, the Company has not spent on CSR activities during the year 2019-20.

Nevertheless, the Company continued contributing to the lives of all its stakeholders in many different ways. This forms an integral part of the activities as enumerated in the CSR policy of the Company which it adopted after the enactment of the Companies Act, 2013. The Company has also contributed to the society, especially the needy persons, in special ways and through various NGOs.

Caring Autism

Autism is a complex lifelong neurological disability affecting a person's communicative and imaginative skills and ability to relate with the people. Symptoms range from mild learning and social disability to severe impairment. A number of autistic children do not even develop proper speech while others do but are rarely able to use the language for clear communication.

There are nearly 2 million autistic persons in India and the diagnosis of autism is growing at an alarming rate. REIL has been an active corporate contributor to the cause supported by Action for Autism (AFA) which is the largest non-profit non-government organization providing support and services to persons with autism and their families.

Management Discussion and Analysis

ECONOMIC OVERVIEW

Global Economy

The global economy witnessed the slowest GDP growths in 2019, since last recession, majorly due to drastic fall in manufacturing and trade, attributed to the negative growth in a few emerging economies. Brexit related ambiguities and an ongoing trade war between the U.S. and China has further affected the growth parameters. The International Monetary Fund (IMF), in its World Economic Outlook, April 2020, calculated a global economic growth of 2.9% in 2019, a significant fall from 3.6% in 2018.

Source:https://www.imf.org/en/Publications/WEO/Issues/2020/04/14/weo-april-2020

Global Economic Growth **(in %)**

Output	2018	2019	2020P	2021P
World output	3.6	2.9	–3.0	5.8
Advanced Economies	2.2	1.7	–6.1	4.5
Emerging Markets and Developing Economies (EMDEs)	4.5	3.7	–1.0	6.6

Source: IMF World Economic Outlook, April 2020,
P=Projections

Economic experts were confident of pick up in growth in the next fiscal, supported by monetary easing in a number of countries and a positive trade environment. However, the earlier growth forecasts for the next fiscal were suddenly turned upside down by the worldwide outbreak of the Novel COVID-19 pandemic (Coronavirus) in the first quarter of 2020. The unforeseen global health crisis and the measures to contain its spread, such as the lockdown, quarantine and the ban on travel brought the economy to a standstill. World Trade Organisation has projected a fall in world trade between 13% and 32% in 2020 as the pandemic disrupts normal economic activities. The virus outbreak is expected to have a long term impact on consumer and investor confidence as well as the supply chain. Experts have signaled a recession considering the impact on financial and consumer market. Even if the pandemic comes under control in the second half of the year, normal economic activities are not likely to resume full scale over the year.

Source:https://www.wto.org/english/news_e/pres20_e/pr855_e.htm

Considering the COVID-19 impact, the IMF has projected the global growth rate to shrink by 3% in 2020. However, it also projects that if the pandemic is contained by the second half of 2020, the economy will presumably grow by 5.8% in 2021, driven by fiscal and monetary support.

Source: https://www.imf.org/en/Publications/WEO/Issues/2020/04/14/weo-april-2020,https://www.wto.org/english/news_e/pres20_e/pr855_e.htm, https://hbr.org/2020/03/what-coronavirus-could-mean-for-the-global-economy.

Indian Economy

The global pessimism, some country specific deterrents and the outbreak of Covid-19 in the fourth quarter of FY 2020, brought the Indian economy to the lowest growth since 2009. The pandemic sped up the fall that was being attributed to slower than expected demand growth owing to stress in the non-bank financial sector and decline in credit growth. The decline in real investment and consumption growth, weak rural income growth and higher inflation rate culminated in a pandemic induced force majeure in the last quarter of FY 2020. The IMF World Economic Outlook, April 2020 estimated a 4.2% GDP growth for Indiain FY 2020, compared to 6.1% in the previous year.

Actual and Projected GDP Growth in India (%)

Fiscal Year	GDP growth in %
FY 2016	8.0
FY 2017	7.1
FY 2018	6.7
FY 2019	6.1
FY 2020E	4.2
FY 2021P	1.9

Source: https://www.imf.org/en/publications/weo

Covid-19 and Aatmanirbhar Bharat

As an umbrella support to the economy battling with the pandemic and the lockdown, a Rs. 20 lakh crore all-inclusive stimulus package called “Aatmanirbhar Bharat”, has been announced by the Government. Equating to 10% of the GDP, this is one of the biggest relief packages ever announced. The package is focused on land, labour, liquidity and laws and will cater to the industries, MSMEs, labourers, middle class, urban and rural poor. It has offered tax breaks for small businesses as well as incentives for domestic manufacturing including collateral free loans to businesses and MSMEs. Under the package, the Reserve Bank of India(RBI) has cut down the repo rate to 4% in order to make loans easily available to banks and help the economy. Further, it cut the reverse repo rate to 3.75%, to discourage commercial banks to park cash with RBI. In order to inject liquidity into the economy and boost consumption, the RBI has also offered a loan repayment moratorium for three months.

Despite all the strategies and support, under the current environment, a mid-term growth forecast is completely dependent on the movement of the virus curve and the time it takes to flatten the curve. However, the country is expected to bounce back in the long run. IMF still forecasts a positive growth for India’s GDP in FY 2021 at 1.9%. It also projects the economy to grow by 7.4% in FY 2022 supported by Government’s growth strategies and policy support.

Source:https://www.imf.org/en/Publications/WEO/Issues/2020/04/14/weo-april-2020, https://www.wto.org/english/news_e/pres20_e/pr855_e.htm

https://www.imf.org/en/Publications/WEO/Issues/2020/04/14/weo-april-2020

INDUSTRY OVERVIEW

Construction Equipment Industry

The Construction industry in India is the 2nd largest employer in India, after agriculture, and contributes 8% to India's GVA according to the latest estimate. There is a linear relationship between the growth in infrastructure sector and the construction equipment industry as the largest part of construction demand comes from infrastructure projects. Construction equipment industry's revenue is estimated to reach US$ 5 billion by FY 2021. The growth curve for the industry started shrinking in early 2019 attributed to a lag in projects due to general election and negative growth in investment. This was further impacted by a credit crunch and the coronavirus outbreak in the last quarter of the financial year.

Source:https://www.investindia.gov.in/sector/construction , http://mospi.nic.in/press-release?field_press_release_category_tid=All&date_filter%5Bmin%5D&date_filter%5Bmax%5D&page=1,

http://www.mospi.gov.in/sites/default/files/press_release/Presss%20note%20for%20FAE%202019-20.pdf

Key Growth Drivers

A few initiatives and projects in the infrastructure sector which are likely to drive the growth in construction and construction equipment sector are discussed below:

National Infrastructure Pipeline (NIPFY 2020-25)

Infrastructure development is a crucial indicator of growth. The Government of India is boosting both public and private investment in all key sectors to reach a GDP target of USD 5 trillion over next five years. The National Infrastructure Pipeline, which was announced to boost investment and job creation, has already lined up 6,500 projects across 23 key sectors in India.

Source :https://pib.gov.in/PressReleseDetail.aspx?PRID=1598055

Share of Centre, States and the Private Sector investment in the NIP

Center	39%
State	39%
Private sector	21%

Construction related sectors such as urban and housing (16%), railways (13%), roads (19%) and Rural Infrastructure (8%) account for a major share of NIP investment. As this ambitious programme unfolds, the actual expenditure may vary from the estimates/ projections. However, the NIP remains a critical endeavour towards construction development.

Power Sector

Introduction

Power is one of the most critical components of infrastructure crucial for the economic growth and welfare of nations. The existence and development of adequate infrastructure is essential for sustained growth of the Indian economy.

India's power sector is one of the most diversified in the world. Sources of power generation range from conventional sources such as coal, lignite, natural gas, oil, hydro and nuclear power to viable non-conventional sources such as wind, solar, and agricultural and domestic waste. Electricity demand in the country has increased rapidly and is expected to rise further in the years to come. In order to meet the increasing demand for electricity in the country, massive addition to the installed generating capacity is required.

In May 2018, India ranked fourth in the Asia Pacific region out of 25 nations on an index that measures their overall power. India is ranked fourth in wind power, fifth in solar power and fifth in renewable power installed capacity as of 2018. India ranked sixth in list of countries to make most investments in clean energy with US$ 90 billion.

Market Size

Indian power sector is undergoing a significant change that has redefined the industry outlook. Sustained economic growth continues to drive electricity demand in India. The Government of India's focus on attaining 'Power for all' has accelerated capacity addition in the country. At the same time, the competitive intensity is increasing at both the market and supply sides (fuel, logistics, finances, and manpower).

Wind energy is estimated to contribute 60 GW, followed by solar power at 100 GW by 2022 and 15GW from biomass and hydropower. The target for renewable energy has been increased to 175 GW by 2022.

Total installed capacity of power stations in India stood at 368.68 Gigawatt (GW) as of January 2020. Electricity production reached 1,050.78 BU in FY20 (up to January 2020).

Investment Scenario

Between April 2000 and December 2019, the industry attracted US$ 14.65 billion in Foreign Direct Investment (FDI), accounting for three per cent of total FDI inflows in India.

Some major investments and developments in the Indian power sector are as follows:

- In March 2020, the central government signed virtual agreement to conclude strategic sales in Kamarajar Port Ltd, THDC India Ltd and North Eastern Electric Power Corporation Limited (NEEPCO) for which it will receive Rs. 13,500 crore (US$ 1.93 billion) from the three deals.
- In December 2019, NTPC announced investment of Rs. 50,000 crore (US$ 7.26 billion) to add 10GW solar energy capacity by 2022.
- In August 2019, Sembcorp Industries, the Singapore-based energy made an equity infusion of Rs. 521 crore (US$ 101.6 million) into Sembcorp Energy India Ltd.
- Brookfield to invest US$ 800 million in ReNew Power.
- ReNew Power and Shapoorji Pallonji will invest nearly Rs. 750 crore (US$ 0.11 billion) in a 150 megawatt (mw) floating solar power project in Uttar Pradesh.
- The Government of India is expected to offer nearly 20 power transmission projects worth Rs. 16,000 crore (US$ 2.22 billion) for bidding in 2019.

Government Initiatives

The Government of India is expected to invest highly in the infrastructure sector, mainly highways, renewable energy and urban transport.

The Government of India is taking every possible initiative to boost the infrastructure sector. Announcements in Union Budget 2019-20:

The Government of India has given a massive push to the infrastructure sector by allocating ₹4.56 lakh crores (US$ 63.20 billion) for the sector. Communication sector allocated ₹38,637.46 crores (US$ 5.36 billion) to development of post and telecommunications departments. The Indian Railways received allocation under Union Budget 2019-20 at ₹66.77 billion (US$ 9.25 billion). Out of this allocation, ₹64.587 billion (US$ 8.95 billion) is capital expenditure.

The Road Ahead

The Government of India has released its roadmap to achieve 175 GW capacity in renewable energy by 2022, which includes 100 GW of solar power and 60 GW of wind power. The Union Government of India is preparing a 'rent a roof' policy for supporting its target of generating 40 gigawatts (GW) of power through solar rooftop projects by 2022.

Coal-based power generation capacity in India, which currently stands at 229.40 (As of October 2019) GW is expected to reach 330-441 GW by 2040.

All the states and union territories of India are on board to fulfil the Government of India's vision of ensuring 24x7 affordable and quality power for all by March 2019, as per the Ministry of Power and New & Renewable Energy, Government of India.

Impact of Covid-19 on the Power Sector

The central government has enforced a nation-wide lockdown as part of its measures to contain the spread of COVID-19. During the lockdown, several restrictions have been placed on the movement of individuals and economic activities have come to a halt barring the activities related to essential goods and services. The restrictions are being relaxed in less affected areas in a limited manner since April 20. Power supply saw a decrease of 25% during the lockdown (year-on-year). As the lockdown has severely reduced the industrial and commercial activities in the country, these segments would have seen a considerable decline in demand for electricity. However, note that the domestic demand may have seen an uptick as people are staying indoors. Electricity demand may continue to be subdued over the next few months. India's growth projections also highlight a slowdown in the economy in 2020 which will further impact the demand for electricity. On April 16, the International Monetary Fund has slashed its projection for India's GDP growth in 2020 from 5.8% to 1.9%.

Coal is the primary source of power generation in the country (~71% in March 2020). During the lockdown period, the coal stock with coal power plants has seen an increase.

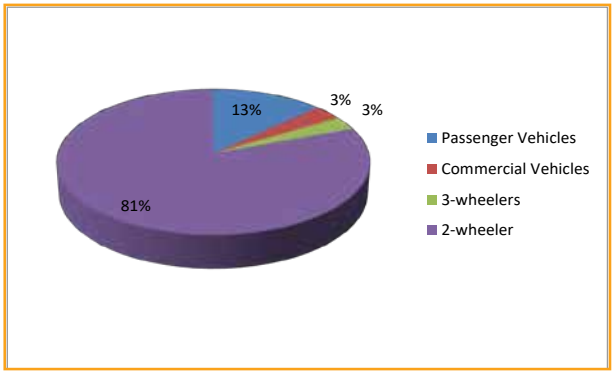
Finances of the power sector to be severely impacted

Power distribution companies (discoms) buy power from generation companies and supply it to consumers. In India, most of the discoms are state-owned utilities. One of the key concerns in the Indian power sector has been the poor financial health of its discoms. The discoms have had high levels of debt and have been running losses. At the end of February 2020, the total outstanding dues of discoms to generation companies stood at Rs 92,602 crore. Due to the lockdown and its further impact in the near term, the financial situation of discoms is likely to be aggravated. This will also impact other entities in the value chain including generation companies and their fuel suppliers. This may lead to reduced availability of working capital for these entities and an increase in the risk of NPAs in the sector. Note that, as of February 2020, the power sector has the largest share in the deployment of domestic bank credit among industries (Rs. 5.4 lakh crore, 19.3% of total).

Domestic Automobile Industry

The Indian automobile sector is comprised of Passenger Vehicles, Commercial Vehicles, Three Wheelers, Two Wheelers and others. The Indian automobile sector is the world's fourth largest auto market in terms of sales and production. The Gross Turnover of the Automobile Manufacturers in India stood at about USD70 billion in FY 2018-19. The industry has registered healthy growth rate over last one decade driven by robust economic activity and infrastructure development; growing middle class population with increasing income and availability of easy finance. Availability of low cost skilled labours, research and development support and easy availability of raw materials are other factors that supported the industry growth. The industry also provides great investment opportunities and creates jobs. It has received FDI worth US$ 23.89 billion between April, 2000 and December, 2019.

Source: https://www.ibef.org/industry/automobiles-presentation



Source: http://www.siam.in/statistics.aspx?mpgid=8&pgidtrail=12

The industry had a bearish year in FY 2020 in terms of production and sales. India produced a total of 26,362,284 vehicles in FY 2020 as against 30,914,874 in FY 2019, registering a drop of about 15%. Total sales also dropped to 21,547,552 vehicles in FY 2020 as against 26,267,783 in FY 2019.

Domestic Automobile Production Trends (Units)

Category	FY 2018-19	FY 2019-20	Change
Passenger Vehicles	4,028,471	3,434,013	-14.7
Commercial Vehicles	1,112,405	752,022	-32.3
Three Wheelers	1,268,833	1,133,858	-10.6%
Two Wheelers	24,499,777	21,036,294	-14.1%
Quadricycle*	5,388	6,095	-13.1%
Grand Total	30,914,874	26,362,282	-14.7%

Source: Society of Indian Automobile Manufacturers (SIAM)
http://www.siam.in/statistics.aspx?mpgid=8&pgidtrail=9

The lower production was attributed to falling domestic demand, mostly driven by economic slump in the Indian corporate, financing difficulty and a negative buying sentiment. The coronavirus epidemic put further pressure on India's automotive sector creating supply chain disruptions. Because of the closure of auto parts factories in China, there have been a delay in the production and delivery of BS-IV compliant vehicles. This, followed by the virus outbreak in India in March, led to a plunge in sales driven by BSVI transition, lockdown and the manufacturing shutdown. With a slow restart of production in April, the first half of the year will be extremely challenging for the industry. Even if the Covid-19 pandemic is controlled in the second half of the year, the consumer sentiments are expected to remain negative further because of the stress in the entire economy.

The automobile industry has been discussing with the Government on policy measures which can minimise the impact of Covid-19 on the industry. The government has assured an Incentive based Scrappage Policy will be implemented in order to support the industry in future. While there will be challenges on the supply side, many OEMs may consider localising their supply chain. This could be an opportunity for Indian auto component manufacturers. As a positive development, the new social distancing norms are likely to drive demand for entry level passenger vehicles and 2-wheelers as people will tend to prefer individual vehicles rather than shared transport after the coronavirus outbreak. A 'V' shaped recovery is expected with the normalization of economic activities.

COMPANY REVIEW

Raunaq EPC International Limited (REIL)

In FY 2019-20, there is a downturn in the total revenue of the Company from Rs. 5204.59 Lakhs in FY 2018-19 to Rs. 2222.00 Lakhs in FY 2019-20. The Company has been struggling to bag new orders due to the continuous adverse market conditions in the power sector especially thermal power. The Company's order book position as on 31 March, 2020 stood at Rs. 1485 Lakhs.

SIGNIFICANT CHANGES IN KEY FINANCIAL RATIOS DURING THE FINANCIAL YEAR 2019-20

Sr. No.	Particulars	2019-20	2018-19	% Change in Ratios	Remarks
1.	Debtor Turnover Ratio	0.55	0.98	-44.24%	The main reason is due to low order booking.
2.	Inventory Tunover Ratio	49.78	66.83	-25.51%	The reason of improvement is due to more focus on inventory level.
3.	Current Ratio	1.06	0.83	27.35%	The reason is change in a customer's ageing.
4.	Debt Equity Ratio	2.78	1.18	135.64%	The main reason is increases in losses.
5.	Operating Profit Margin	36.70%	15.00%	144.67%	The reason of improvement is reduction in Operating expenses.
6.	Net Profit/ Loss Margin	-157.06%	-10.98%	1330.45%	The main reason of loss is provisions against debtors and diminishing in the value of investments.

The Company has abled to bag an order of Rs. 1350 Lakhs on 01 May, 2019 for Construction of Circulating Water System works for 2x800 MW APJL Project, Godda from HTG Engineering Private limited for Adani Power (Jharkhand) Limited.

In terms of the execution, some of the major projects that the Company successfully worked on during FY 2019-20 include:

- Fabrication and erection of Large Dia CW piping system at NUPPL Ghatampur 3x660MW for GE Power Systems.
- Fabrication and erection of Large Dia CW piping system at 1x660 MW Harduaganj extension – II project for Toshiba.
- Additional Ash water re-circulation project at NTPC Ramagundam 2600 MW.

Xlerate Driveline India Limited (XDIL)

In FY 2019-20, though there was recession in the Automobile Sector specifically commercial Sector, but XDIL could manage to retain the last year revenues. This is mainly due to increasing our market share in the subdued auto market in the aftermarket. Further, we have also maintain the existing levels in the OES segment.

In FY 2019-20, Company has registered a revenue of Rs. 4331.89 lakhs against the previous year's revenue of Rs. 4678.46 lakhs in FY 2018-19.

During the last year, the Company has initiated development for new product range for established OEM commercial manufacturers namely 395 Dia and 330

Dia Clutch for Aftermarket and Institutional Customers. Testing for Prototypes were conducted and minor change was needed in the Design based on testing. Tooling development is complete and after complete testing it will be introduced FY 2020-21. Delay in testing was because of Lockdown. Lastly to complete the Indian commercial Range, 430 Dia Clutch for other Commercial OEM players is under development. Design benchmarking and feasibility studies have been conducted.

OUTLOOK

Raunaq EPC International Limited

Even with a limited scope in the existing market, the Company is trying to quote with cautious aggression and expect to receive few orders in the first quarter itself. The Company has also quoted few tenders in the water system field also, but unfortunately because of general elections the same were either cancelled or postponed. The Company shall be tracking this important field and shall try to enter the same with the help of some JV partner so as to achieve a healthy outlook.

Quality and timely execution of projects shall remain our prime focus areas to enhance our brand image. The Company intends to select clients and projects cautiously to reduce exposure to laggard projects that can be a drag on its balance sheet.

Xlerate Driveline India Limited

The Company focuses on leveraging existing OEM credentials to expand its OEM business portfolio necessary for scaling operations and effectively sweating production lines that are currently running at one-third capacities.

New Developments are happening at OEM's and are at final stages. Commercial Settlement are going for new ranges. Almost a quarter is lost due to covid but with these new opportunities we hope to retain the sales if not the growth. Also new institutional Customers have shown interest in our range and commercial is finalized this may help the company to maintain the sales.

Risk and Concerns

"Raunaq EPC International Limited", an Engineering Contracting Organization managed by a dedicated team of professionals at various levels in different disciplines, is engaged primarily in the service of core infrastructural and industrial sectors in India, namely Power, Chemical, Hydro-carbon, Metal and Automobile sectors and is exposed to market volatilities which are driven by changing industry dynamics, rapid technological development and unique economic cycles. Additionally, the regulatory changes and macro-economic environments have a direct impact on their business. The Company has a strong and integrated enterprise risk management framework that has the responsibility of identifying the common prevailing enterprise risks. Their work is reviewed by the Audit Committee periodically. The Board approves a risk management policy prepared by the risk management framework which is then adopted by the Company and is reviewed on yearly basis. This helps the Company prepare ahead for market challenges and respond quickly.

Some of the possible key risks for the Company are given below with corresponding mitigation measures.

Macreoeconomic risk:

A downturn in the macroeconomic scenario along with unfavourable regulatory policies can negatively impact on business.

Mitigation: After the Covid situation gets over, the macroeconomic scenario of the country is likely to improve with interest rates and inflation being coming down leading to favourable conditions for EPC players. Besides, the increased focus on infrastructure segment and initiatives undertaken to enhance ease of doing business and fast-track projects are all likely to improve the dire scenario of the EPC space over the past few years. Further, the water distribution space that the Company plans to diversify is amongst the most lucrative space owing to the growing demand for water and its inherent importance.

Moreover, the Company was strongly focusing on international markets to reduce country dependent risk. In its automotive business the Company already has export presence in Nepal, Sri Lanka and Bangladesh while in the EPC business it is actively focusing on bidding international projects under JV agreement. In view of the pandemic there might now be a considerable delay in making new arrangements.

Competition risk:

The increasing competition within the EPC space may coerce the Company to tender at lower prices leading to compressed margins.

Mitigation: The Company's focus on quality, timely delivery, projects brand value and successful track record give a competitive edge over others. Further, its vast experience, technology investments and competent work force enable to manage the project costs allowing it to provide customers the most competitive rates.

Project execution risk:

Inability of the Company to effectively manage projects may lead to cost/time overruns and reputation loss.

Mitigation: The Company has adequate modern equipments which leads to high productivity at project sites. Investment in sophisticated IT infrastructure enabling real time data sharing, effective project planning and management, developing cost-effective designs and maintaining connectivity with employees at project sites. Besides, the Company has a competent engineering team having expertise in diverse fields. A combination of all these enables it to maintain a successful track-record of delivering quality projects in the scheduled time frame.

Liquidity risk:

Inability of the Company to recover payments in time may hamper its working capital which in turn may impact funding of other on-going projects. Further banks/Financial Institutions adopts strict guidelines to extend credit limits to the Companies in EPC and Power Business due to the prolong downturn in the sector for quite sometime.

Mitigation: The Company conducts a judicious risk-return evaluation of each project and rigorous follow up for the

outstanding balances over 180 days. In addition, the efficient fund management by talented human resources enables it to remain low on debt by prudent reinvestments of working capital to fund new projects.The Company is shifting its focus to the Irrigation and water system project wherein the Bankers can support with extended credit facilities.

Business volume risks:

The Company's automotive business, being into aftermarket components requires high volumes to make it profitable and sustainable.

Mitigation: The Company has successfully obtained orders from OEM and OES from established commercial players that is likely to provide with steady business volumes. It is also exploring opportunities for new OEM approvals and extending portfolio to passenger vehicle segment.

Production quality risk:

Inability of the Company to manufacture quality automotive products may result in rejection, loss of goodwill, inventory pile-up and losses.

Mitigation: The Company employs competent team having strong design and manufacturing skills. It has advanced equipments that ensures quality of manufactured products along with product testing facilities that validates the quality of the products as per the specifications.

Fraud risk:

REIL cannot eliminate fraud entirely however, the Company is trying to prevent some things from happening to lessen the financial impact to it.

Mitigation: We have put in place and strengthen anti-fraud measures. The Company has adopted following measures to tranquillize the risk:

- Carry out fraud risk assessment including results from past reviews and audits.
- Improve controls.
- An effective governance structure including appropriate lines of authority and Board oversight.
- Independent check on performance and compliance.
- Segregation of duties so that no employee has control over whole process.

Legal risk:

The traditional mechanisms for project risk allocation that are available in other countries are not suitable in India due to differences in legal systems. Moreover we strive upon to develop a compliance structure which can be carefully studied and processed.

Mitigation: The management has a team of advisors for deep study of contractual terms and access the risk associated with it and make out strategies accordingly and provide legal proactive support and contingency planning.

Information risk:

Information risk is the probability that the information circulated by the company can be leaked or destroyed. This may affect the Company's ongoing and upcoming operations.

Mitigation: The information risk mitigation process developed by our Company includes:

- Establishing information risk management practices that will help to make the organization successful.
- Regular re-evaluation of the nature and extent of the risks to which the organization is exposed, plus periodic adjustment to ensure that the Company continues to steer the line between allowing risks to grow out of hand and constraining operational effectiveness.

Natural calamity/pandemic risks:

Natural calamity or any other global and country wise pandemic, like the recent outbreak of Covid-19 can have a negative impact on the various ongoing work at different sites, leading to disruption of work at various sites and non availability of sufficient manpower for execution of the jobs. In automotive business, it can impact the market the Company caters to, leading to supply chain disruption, production cuts and shutdown.

Mitigation:

Since these are not predictable risks, Raunaq makes future strategies to bounce back during such risks. The Company takes up measures like deferring any capital investment and cost cutting during financial and industry crisis. It is well supported by an experienced management in its crisis management measures.

Internal Control Systems and their Adequacy

Raunaq has well defined systems and processes to control and monitor all the corporate operations and various units. The Company follows the best practices in corporate governance. It has an internal Audit Process oversee the effectiveness and efficiency of operations, safe-guarding of assets, accuracy of financial reporting and compliance with applicable laws and regulations. The Company has a risk mitigation framework for identifying key business risks and taking mitigation measures. Well-documented policies and procedures enable it to strictly adhere to all applicable procedures, laws, rules and statutes. The Audit Committee of the Board oversees the Audit function through regular reviews of and monitoring of corrective actions.

Cautionary Statement

Statements in this Management Discussion and Analysis describing the Company's objectives, projections, estimates and expectations may be 'forward-looking statements' within the meaning of applicable laws and regulations. Actual results might differ substantially or materially from those downtrend in the automotive industry globally or domestic or both due to significant changes in political and economic environment in India or key markets abroad, tax laws, litigation, labour relations, exchange rate fluctuations, interest and other costs.

BOARD'S REPORT

(SECTION 134 OF THE COMPANIES ACT, 2013)

To The Members

Raunaq EPC International Limited

Your Directors have pleasure in presenting the 55th Annual Report of your Company together with the Audited Standalone and Consolidated Financial Statements and the Auditors' Report thereon for the Year ended 31 March, 2020.

FINANCIAL RESULTS

The highlights of **Consolidated Financial Results** of your Company and its subsidiary are as follows:

(₹/Lacs)

Consolidated		
Particulars	**Year ended 31 March, 2020**	Year ended 31 March, 2019
Revenue from Operations and Other Income	**6,553.89**	9,883.05
Profit before Finance Cost and Depreciation	**(1,281.72)**	72.97
Finance Cost	**423.54**	462.45
Depreciation	**181.22**	154.59
Profit Before Tax	**(1,886.48)**	(544.07)
Less: Tax Expense	**291.17**	(82.58)
Profit for the Year	**(2,177.66)**	(461.49)
Other Comprehensive Income		
Items that will not be reclassified to Profit and Loss (net of tax)	**11.29**	16.34
Total Comprehensive Income for the year	**(2,166.36)**	(445.15)

The highlights of financial results of your Company on **Standalone basis** are as follows:

(₹/Lacs)

Standalone		
Particulars	**Year ended 31 March, 2020**	Year ended 31 March, 2019
Revenue from Operations and other income	**2,222.00**	5,204.59
Profit before Finance Cost and Depreciation	**(2,256.94)**	(154.23)
Finance Cost	**291.70**	391.96
Depreciation	**83.64**	80.37
Profit Before Tax	**(2,632.28)**	(626.56)
Less: Tax Expense	**289.50**	(98.94)
Profit for the Year	**(2,921.78)**	(527.62)
Other Comprehensive Income		
Items that will not be reclassified to Profit and Loss (net of tax)	**11.19**	19.52
Total Comprehensive Income for the year	**(2,910.59)**	(508.10)

Surplus in Statement of Profit and Loss		
Opening balance	**2,239.54**	2,747.64
Add: Profit for the year	**(2,910.59)**	(508.10)
Less:		
Proposed Dividend-Equity	-	-
Tax on distributed profits	-	-
Transferred to General Reserve	-	-
Closing Balance	**(671.05)**	2,239.54

Dividend

In view of loss for the year, your directors have not recommended any dividend on equity shares of the Company for the year ended 31 March, 2020.

Business Operations

During the year under review, there is a downturn in the total revenue of the Company from Rs. 5,204.59 Lakhs in FY 2018-19 to Rs. 2,222.00 Lakhs in FY 2019-20. The Company has been struggling to bag new orders due to the continuous adverse market conditions in the power sector especially thermal power. The Company's order book position as on 31 March, 2020 stood at Rs. 1485 Lakhs.

The Company has been able to bag an order of Rs. 1350 Lakhs on 01 May, 2019 for Construction of Circulating Water System works for 2x800 MW APJL Project, Godda from HTG Engineering Private limited for Adani Power (Jharkhand) Limited.

In terms of the execution, some of the major projects that the Company successfully worked on during FY 2019-20 include:

- Fabrication and erection of Large Dia CW piping system at NUPPL Ghatampur 3x660MW for GE Power Systems.
- Fabrication and erection of Large Dia CW piping system at 1x660 MW Harduaganj extension – II project for Toshiba.
- Additional Ash water re-circulation project at NTPC Ramagundam 2600 MW.

Future Outlook

The Company had quoted many tenders in power and water system fields, but most of those tenders were either cancelled or postponed due to various reasons.

As is known, the current year has started on an unpleasant note, because of Covid-19 and most of the Companies/ Organizations are in the very cautious "Unlock" mode. It is expected that the situation might start becoming normal (new normal) starting 03rd quarter. It is also expected that new tenders for various fields might start floating by that time. The Company is also planning to participate in such tenders with cautious aggression to achieve the desired targets.

Consolidated Financial Statements

As required under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Regulations"), Consolidated Financial Statements have been prepared in accordance with IND AS-110 of the Indian Accounting Standards issued by the "Institute of Chartered Accountants of India" and have been provided in the Annual Report. These Consolidated Financial Statements provide financial information of your Company and its subsidiary as a single economic entity.

Indian Accounting Standards ("Ind AS")

The financial statements for the year ended 31 March, 2020 have been prepared in accordance with the Indian Accounting Standards ("Ind AS") as required under Section 133 of the Companies Act, 2013 read with rules made there under, as amended.

Management Discussion and Analysis

A detailed analysis of the Company's operations in terms of performance in markets, business outlook, risk and concerns forms part of the Management Discussion and Analysis, a separate section of this report.

Directors' Responsibility Statement

Pursuant to Section 134(3)(c) of the Companies Act, 2013, your Directors confirm that:-

(a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;

(b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31 March, 2020 and of the Profit and Loss of the Company for the period ended on that date;

(c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

(d) the directors had prepared the annual accounts on a going concern basis;

(e) the directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and

(f) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Related Party Contracts and Arrangements

The contracts or arrangements of the Company with related parties during the period under review referred to in Section 188(1) of the Companies Act, 2013 were in ordinary course of business and on arm's length basis. During the year, the Company had not entered into any contract/arrangement/transaction with related parties which could be considered material in accordance with the related party transaction policy of the Company. Thus, there are no transactions which are required to be reported in the prescribed Form AOC-2 of the Companies (Accounts) Rules, 2014.

Further, during the Financial Year 2019-20, there were no materially significant related party transactions entered into by your Company with the Promoters, Directors, Key Managerial Personnel or other designated persons, which might have potential conflict with the interest of the Company at large.

As all the related party transactions are at arm's length price and in the ordinary course of business, the same are placed before the Audit Committee for its approval. There

was no related party transaction which requires approval of the Board. During the Financial Year under review, the Audit Committee has approved the related party transactions through the omnibus mode in accordance with the provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Related party transactions were disclosed to the Board on regular basis as per Ind AS-24. Details of related party transactions as per Ind AS-24 may be referred to in the Notes forming part of the Financial Statements.

The policy on Related Party Transactions as approved by the Board in terms of the provisions of Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 is available on the website of the Company i.e. www.raunaqinternational.com under the link http://www.raunaqinternational.com/pdf/related_party_transactions_policy.pdf.

Particulars of Loans, Guarantees or Investment

Details of Loans or guarantee given or security provided in terms of the provisions of the Section 186 of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014 have been adequately disclosed in the financial statements.

Directors

During the period under review, the members of the Company, at their Annual General Meeting held on 05 August, 2019 approved:

- Continuation of Ms. Seethalakshmi Venkataraman as a Non-Executive Independent Director of the Company w.e.f. 01 April, 2019 till the end of her current tenure upto the conclusion of the 55th Annual General Meeting (AGM) of the Company in the Calendar Year 2020 in terms of the provisions of Section 149 of the Companies Act, 2013, the age of Ms. Seethalakshmi Venkataraman being more than seventy five years as on 01 April, 2019.
- Appointment of Mr. Rajiv Chandra Rastogi as a Non-Executive Independent Director of the Company for a period of 5 (Five) years upto the conclusion of the 59th Annual General Meeting (AGM) of the Company in the calendar year 2024 in terms of the provisions of Section 149 of the Companies Act, 2013.

The Board of Directors of the Company in its Meeting held on 13 November, 2019 approved.

- Appointment of Mr. Sameer Kanwar as an Additional Director in the capacity of Non-Executive Director till the conclusion of ensuing Annual General Meeting (AGM) of the Company:

Further, the Board of Directors of the Company vide its resolution passed through circulation on 04 December, 2019 approved:

- Appointment of Mr. Naresh Kumar Verma as an Additional Director in the capacity of Non-Executive Director till the conclusion of ensuing Annual General Meeting (AGM) of the Company.

In terms of the provisions of Section 149 of the Companies Act, 2013, Dr. Sanjeev Kumar and Ms. Seethalakshmi Venkataraman had been appointed as Non-Executive Independent Director at the Annual General Meeting (AGM) of the Company held on 30 July, 2015 for a period of 5 (Five) Years upto the conclusion of the 55th AGM of the Company in the Calendar year 2020.

Therefore, in terms of the provisions of Section 149 of the Companies Act, 2013, it has been proposed to re-appoint Dr. Sanjeev Kumar and Ms. Seethalakshmi Venkataraman as Non-Executive Independent Director at the ensuing Annual General Meeting (AGM) of the Company for a period of 5 (Five) Years upto the conclusion of the 60th AGM of the Company in the Calendar year 2025 by way of special resolution pursuant to the applicable provisions of the Companies Act, 2013 and the Regulations, in read with Regulation 17 of the Regulations as amended, the age of Ms. Seethalakshmi Venkataraman being more than seventy five years at the commencement of her proposed tenure.

Further, in terms of the provisions of Section 152 of the Companies Act, 2013, it has been proposed to appoint Mr. Sameer Kanwar and Mr. Naresh Kumar Verma as Non-Executive Director at the ensuing Annual General Meeting (AGM) of the Company, liable to retire by rotation.

A notice has been received from a member under Section 160 of the Companies Act, 2013 signifying their intention to propose Dr. Sanjeev Kumar & Ms. Seethalakshmi Venkataraman as candidate for the office of Non-Executive Independent Director and Mr. Sameer Kanwar & Mr. Naresh Kumar Verma as candidate for the office of Non-Executive Director of the Company.

Board's Opinion Regarding Integrity, Expertise and Experience (Including the proficiency) of the Independent Directors appointed during the year

The Board is of the opinion that the Independent Directors appointed during the year under review are person(s) of integrity and possess core skills/expertise/competencies (including the proficiency) as identified by the Board of Directors as required in the context of Company's business(es) and sector(s) for the Company to function effectively.

Number of Meetings of the Board

During the financial year 2019-20, 5 (Five) Board Meetings were held on the following dates:

- 22 May, 2019;
- 04 July, 2019
- 05 August, 2019;
- 13 November, 2019; and
- 30 January, 2020

The gap between any two meetings was not more than one hundred twenty days as mandated under the provisions of Section 173 of the Companies Act, 2013 and Regulation 17(2) of the Regulations.

Independent Directors

In terms of the provisions of Section 149(7) of the Companies Act, 2013 read with Regulation 25(8) of the Regulations, all the Independent Directors of the Company have furnished a declaration to the Company at the meeting of the Board of Directors held on 30 June,2020 stating that they fulfill the criteria of Independent Director as prescribed under Section 149(6) of the Companies Act,

2013 read with Regulation 16(1)(b) of the Regulations, and are not being disqualified to act as an Independent Director. Further, they have declared that they are not aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact their ability to discharge their duties with an objective independent judgment and without any external influence.

In the opinion of the Board, all the Independent Directors fulfil the conditions specified in the Companies Act, 2013 read with the Rules made thereunder and the Regulations, and are independent of the management.

In terms of the Regulation 25(7) of the Regulations, the Company has adopted a familiarization programme for the Independent Directors to familiarize them with working of the Company, nature of the industry in which the Company operates, business model of the Company, their roles, rights, responsibilities, and other relevant details. The details of familiarization programme during the Financial Year 2019-20 are available on the official website of the Company i.e. www.raunaqinternational.com under the link i.e. http://www.raunaqinternational.com/pdf/DETAILS-OF-FAMILIARIZATION-PROGRAMME-FOR-INDEPENDENT-DIRECTORS-FY-19-20.pdf

Policy on Appointment and Remuneration of Directors, Key Managerial Personnel (KMP) and Senior Management Personnel

In terms of the provisions of the Section 178 of the Companies Act, 2013 read with Regulation 19 of the Regulations, Nomination and Remuneration Committee ('NRC') has formulated a policy relating to appointment and determination of the remuneration for the Directors, Key Managerial Personnel and Senior Management Personnel which has been adopted by the Board of Directors of the Company. The NRC has also developed the criteria for determining the qualifications, positive attributes and independence of Directors and for making payments to the Executive and Non-Executive Directors of the Company.

Your Directors affirm that the remuneration paid to the Directors, Key Managerial Personnel, Senior Management and other employees is as per the Nomination and Remuneration Policy of your Company.

During the year, additions have been made in the Role of the NRC in the NRC Policy in reference to the SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018. The salient features of the Nomination and Remuneration Policy are as under:

- Formulation of the criteria for determining qualifications, positive attributes and independence of a Director.
- Identification of persons who are qualified to become Director and persons who may be appointed in Key Managerial and Senior Management positions in accordance with the criteria laid down in the Nomination and Remuneration policy.
- Recommendation to the Board for appointment and removal of Director, KMP and Senior Management Personnel.
- Formulation of the criteria for devising a policy on diversity of Board of Directors.
- Deciding that whether to extend or continue the term of appointment of the Independent Director, on the basis of the report of performance evaluation of Independent Directors.
- Recommendation to the Board for all remuneration, in whatever form, payable to senior management.

The said policy is available on the website of the Company i.e.www.raunaqinternational.com under the link http://www.raunaqinternational.com/pdf/nomination--and-remuneration-policy.pdf.

Evaluation Process

The Nomination and Remuneration Committee has established a framework for the evaluation process of performance of the Board, its Committees and Individual Directors and the same was adopted by the Board.

During the year under review, the Board of Directors have carried out the evaluation of the performance of Independent Directors and their independence criteria and the Independent Directors in their meeting held on 30 January, 2020 have evaluated the performance of the Chairman and Non-Independent Directors and the Board as a whole and also assessed the quality, quantity and timeliness of flow of information between the Board and Company management.

Key Managerial Personnel

The following Directors/Officials of the Company have been designated as Key Managerial Personnel (KMP) of the Company by the Board of Directors in terms of the provisions of Section 203 of the Companies Act, 2013 and the Regulations:

1.	Mr. Surinder Paul Kanwar	Chairman and Managing Director
2.	Mr. Sachit Kanwar	Joint Managing Director
3.	Mr. Rajan Malhotra	Chief Executive Officer
4.	Mr. Himanshu Goyal	Chief Financial Officer
5.	Mr. Vartika Malhotra	Company Secretary

During the period under review, Mr. Sachin Kumar Mittal has resigned from the post of Manager - F & A & (CFO) of the Company w.e.f. 30 September, 2019 and Mr. Himanshu Goyal, Senior Officer (F & A) of the Company has been designated as Senior Officer - F & A & (CFO) of the Company w.e.f. 30 January, 2020.

Further, Mr. Sukhvir had been appointed as the Company Secretary and Compliance Officer of the Company w.e.f. 22 May, 2019 pursuant to resignation of Ms. Sukriti Manna w.e.f. 11 March, 2019.

Pursuant to resignation of Mr. Sukhvir w.e.f. 06 September, 2019, Ms. Vartika Malhotra has been appointed as the Company Secretary and Compliance Officer of the Company w.e.f. 13 November, 2019.

Disclosure under the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

Disclosures pertaining to remuneration as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are enclosed as **Annexure -"A"** to this report.

Particulars of Employees

Information regarding employees in accordance with the provisions of Rule 5(2) and Rule 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is given in **Annexure-"B"** to this Report.

Risk Management

A robust and integrated enterprise risk management framework is in existence under which the common prevailing risks in the Company are identified, the risks so identified are reviewed on periodic basis by the Audit Committee and the management's actions to mitigate the risk exposure in a timely manner are assessed.

A risk management policy under the above said enterprise risk management framework as approved by the Board has been adopted by the Company.

Corporate Social Responsibility

In terms of the provisions of the Section 135 of the Companies Act, 2013, the Corporate Social Responsibility Committee ("CSR Committee") is in existence to monitor the Corporate Social Responsibility Policy of the Company as approved by the Board and the said policy is available on website of the Company i.e. www.raunaqinternational.com.

The CSR Committee comprises of Mr. Surinder Paul Kanwar, Mr. Sachit Kanwar and Mr. P.K. Mittal.

The role of the Corporate Social Responsibility Committee includes:

(a) Formulation and recommendation to the Board, a Corporate Social Responsibility Policy (CSR Policy) which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013 ("the Act").

(b) Monitoring the Corporate Social Responsibility Policy of the Company from time to time.

(c) Recommendation of the amount of expenditure to be incurred on the activities referred to in clause (a) above.

(d) Instituting a transparent monitoring mechanism for implementation of the CSR projects or programs or activities undertaken by the Company.

During the Financial Year 2019-20, CSR policy has been modified by adding area of activities to be undertaken as CSR activities with regard to the amendments to Schedule VII of the Companies Act, 2013. As per the provisions of Section 135 of the Companies Act, 2013, the Company was not required to spend any amount on CSR activities during the Financial Year 2019-20 in terms of loss incurred during the Financial Year 2018-19.

The report on CSR activities with other details in terms of the provisions of Rule 8 of the Companies (Corporate Social Responsibility) Rules, 2014 for the Financial Year 2019-20 is enclosed as **Annexure -"C"** to this report.

Audit Committee

The Audit Committee comprises of Dr. Sanjeev Kumar, Mr. P.K. Mittal, Mr. Rajiv Chandra Rastogi and Ms. Seethalakshmi Venkataraman.

During the year under review, Mr. V.K. Pargal ceased to be a member of the Audit Committee on 19 April, 2019 pursuant to his resignation and Mr. Rajiv Chandra Rastogi had been inducted as a member of the Committee w.e.f. 22 April, 2019 pursuant to his appointment. Accordingly, the Audit Committee had been reconstituted.

Further, Ms. Seethalakshmi Venkataraman had been inducted as a member of the Audit Committee w.e.f. 30 January, 2020. Accordingly, the Audit Committee has been reconstituted.

Further, the details on the Audit Committee and its terms of reference etc. have been furnished in the Corporate Governance Report forming part of this Report.

During the year under review, all recommendations of the Audit Committee were accepted by the Board of Directors of the Company unanimously.

Internal Complaints Committee for Prevention of Sexual Harassment

Pursuant to Section 21 of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 read with Rule 14 of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Rules, 2013, as the Company doesn't have adequate women employee, the women employees of the Bharat Gears Limited, a Company within the group have been nominated as members of the Internal Complaints Committee (ICC) of the Company to deal with the complaints related to the sexual harassment, where any grievances of sexual harassment at workplace can be reported.

Your Company has always believed in providing a safe and harassment free workplace for every individual working in the Company through various interventions and practices. The Company always endeavors to create and provide an environment that is free from discrimination and harassment including sexual harassment.

During the year ended 31 March, 2020, no complaints pertaining to sexual harassment was received by ICC.

Subsidiaries/Joint Ventures/Associate Companies

Your Company has a 100% wholly owned subsidiary, Xlerate Driveline India Limited (XDIL).

Xlerate Driveline India Limited (XDIL) is engaged in the manufacturing of automotive components having its Industrial Unit at Faridabad, Haryana.

As on date, the Company holds 1,48,77,038 (One Crore Forty Eight Lakhs Seventy Seven Thousand Thirty Eight) Equity Shares of ₹ 10/- (Rupees Ten) each of XDIL amounting to ₹ 14,87,70,380/- (Rupees Fourteen Crores Eighty Seven Lakhs Seventy Thousand Three Hundred Eighty Only) as an investment directly/through its nominees which is equivalent to 100% paid up equity capital of XDIL.

Deposits

During the year under review, the Company did not accept any deposits.

Investor Education and Protection Fund (IEPF)

In terms of the provisions of Section 124(5) of the Companies Act, 2013 read with the Investor Education and Protection Fund (IEPF) Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 and further amendments thereto, the Unclaimed Final Dividend pertaining to the Financial Year 2011-12 amount aggregating to ₹ 1,34,160.00 (Rupees One Lakh Thirty Four Thousand One Hundred Sixty Only) and 3,366 (Three Thousand Three Hundred Sixty Six) Equity Shares had been transferred to the "Investor Education and Protection Fund" established by the Central Government. For detailed information, please refer the Corporate Governance Report forming part of this report.

Disposal of Stake of the Company in Xlerate Driveline India Limited (XDIL), Wholly Owned Subsidiary

During the year under review, with a view to pay off the debts to bring down the financial burden on the Company and procuring projects in the water sector and bidding across international borders, the Shareholders of the Company in their Annual General Meeting held on 05 August, 2019 considered and approved the disposal of 100% Stake of the Company in Xlerate Driveline India Limited (XDIL), Wholly Owned Subsidiary to Bharat Gears Limited, a Company within the Group, for a total consideration of ₹ 9,42,00,000/- (Rupees Nine Crores Forty Two Lakhs Only) in one or more tranches. However, with the huge downturn in the Automotive Industry, the Board of Directors of Bharat Gears Limited at its meeting held on 14 November, 2019 decided to defer the proposal of acquisition of XDIL from the Company due to adverse market conditions and further concentrating on cost cutting measures to overcome the prolong subdued automotive market and further not moving ahead with the acquisition.

The aforesaid decision of the Board of Directors of Bharat Gears Limited had been communicated to the Company with an anticipation that they may re-consider the said proposal in future as and when the market conditions gets improved, as it may deem fit in the best interest of Bharat Gears Limited.

Pursuant to the intimatation recieved from Bharat Gears Limited for drop of decision for the said acquisition, the Board of Directors of the Company in its meeting held on 30 June, 2020 considered an approved the disposal of 82,14,000 (55.21%) Equity Shares out of its 100% stake in XDIL to Mr. Sachit Kanwar, Promoter and Joint Managing Director of the Company for a total consideration of ₹ 4,00,02,180/- (Rupees Four Crores Two Thousand One Hundred Eighty Only) in one or more tranches, subject to the approval of the shareholders at the ensuing Annual General Meeting and such other approvals as may be required.

Auditors

The Statutory Auditors, M/s. B.R. Maheswari & Co. LLP, Chartered Accountants (ICAI Regn No. 001035N) had been appointed as Statutory Auditors of the Company in the 52nd Annual General Meeting held on 08 August, 2017 for a period of 5 (Five) years in terms of the provisions of Section 139 of the Companies Act, 2013 to hold office from the 52nd AGM to the 57th AGM in the calendar year 2022.

Report on Financial Statements

The report of M/s B.R. Maheswari & Co. LLP, Chartered Accountants (ICAI Regn. No. 001035N), the Statutory Auditors of the Company on the financial statements of the Company for the year ended 31 March, 2020 is annexed to the financial statements in terms of the provisions of Section 134(2) of the Companies Act, 2013. The observations of the Auditors in their report are self-explanatory and/or explained suitably in the Notes forming part of the Financial Statements. The report of the Statutory Auditors does not contain any qualification, reservation or adverse remark which needs any explanation or comment of the Board.

Secretarial Audit

The Board has appointed M/s Etika Aggarwal & Associates, Practicing Company Secretaries, Noida as Secretarial Auditor for the Financial Year 2019-20 in terms of the provisions of Section 204 of the Companies Act, 2013. The Secretarial Audit Report of the Company for the Financial Year ended 31 March, 2020 in the prescribed Form MR-3 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is enclosed as **Annexure -"D"** to this report. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark which needs any explanation or comment of the Board.

Internal Financial Controls and their Adequacy

The Company has a proper and adequate system of internal financial controls which includes the policies and procedures for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records and the timely preparation of reliable financial information. During the year, such controls were tested and no material weakness in the design or operations were observed.

Maintenance of Cost Records

During the year under review, the Company had not been mandatorily required to maintain Cost Records in terms of the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Rules, 2014.

Corporate Governance

The Company is committed to maintain the highest standards of Corporate Governance. The Report on Corporate Governance as stipulated under Schedule V(C) of the Regulations forms part of this Report.

The requisite certificate of Compliance from M/s Etika Aggarwal & Associates, Practicing Company Secretaries, Noida confirming compliance with the conditions of Corporate Governance is attached to this Report.

Vigil Mechanism/Whistle Blower Mechanism

In terms of the provisions of Section 177 of the Companies Act, 2013 and the Regulations, the Company has established an effective mechanism called Vigil Mechanism (Whistle Blower Mechanism). The mechanism under the Policy has been appropriately communicated within the organisation. The purpose of this policy is to provide a framework to promote responsible whistle blowing by employees or by any other person who avails such mechanism. It protects employees or any other person who avails such mechanism wishing to raise a concern about serious irregularities, unethical behavior, actual or suspected fraud within the Company by reporting the same to the Audit Committee.

Protected Disclosure can be made by the whistle blower in a closed and secured envelope or sent through e-mail to the Compliance Officer.

During the year under review, no compliant has been received and no employee was denied access to the Audit Committee.

The functioning of the Whistle Blower Mechanism/Vigil Mechanism existing in the Company is reviewed by the Audit Committee on Annual basis.

The policy on vigil mechanism is available on the website of the Company i.e. www.rauanqinternational.com under the link http://www.raunaqinternational.com/pdf/policy_on_vigil_mechanism.pdf.

Reconciliation of Share Capital Audit

In terms of Regulation 76 of the SEBI (Depositories and Participants) Regulations, 2018, the Reconciliation of Share Capital Audit is undertaken by a firm of Practicing Company Secretaries on quarterly basis. The Audit is aimed at reconciliation of total shares held in CDSL, NSDL and in physical form with the admitted, issued and listed capital of the Company.

The Reconciliation of Share Capital Audit Reports as submitted by the Auditor on quarterly basis were filed with the BSE Limited (BSE) through BSE Listing Centre, where the original shares of the Company are listed.

Listing of Shares

The Equity shares of the Company are listed on the BSE Limited (BSE), Mumbai.

Disclosures under Section 134 of the Companies Act, 2013

Except as disclosed elsewhere in the Annual Report, there have been no material changes and commitments, which can affect the financial position of the Company between the end of financial year and the date of this report.

Impact of COVID-19 Pandemic

The Company has incurred losses during the current year amounting to Rs. 2,910.59 lacs, primarily owing to the lower volumes due to continuing slowdown in the EPC industry, ECL provision and decrease in fair value of investments. The Company has a positive net worth of Rs. 1351.64 lacs and a net current asset position of Rs. 198.20 lacs. The Company's operations have also been impacted by the unprecedented COVID-19 pandemic which resulted in an interruption in Erection & Supply activity due to nationwide lockdown.

The Company has made an assessment of the impact of the pandemic on its operations and the carrying value of Plant & Machinery, Inventory, Receivables and other financial assets, by relying on the internal and external sources of information and indicators of economic forecasts. Based on such assessment, the Company is confident of recovering the carrying value of these assets as at 31 March, 2020.

Management believes that it has taken into account all the possible impact of known events arising from COVID-19 pandemic in the preparation of the financial statements.

However, the impact assessment of COVID-19 is a continuing process given the uncertainties associated with its nature and duration. The Company will continue to monitor any material changes to future economic conditions.

Conservation of Energy, Technology Absorption, Foreign Exchange Earnings & Outgo

The information in accordance with the provisions of Section 134(3)(m) of the Companies Act, 2013 read with the Rule 8 of the Companies (Accounts) Rules, 2014:

The Company organizes the workshops/lectures on regular basis for its employees to promote, motivate and encourage them how to conserve the energy. The Company is in process to adopt the latest technologies for conservation of energy.

The particulars with respect to foreign earnings and outgo during the year under review are as follows:

(₹/Lacs)

Particulars	2019-20	2018-19
Foreign Exchange Earned	-	-
Foreign Exchange Used	1.31	-

Statement containing salient features of Financial Statements of Xlerate Driveline India Limited (XDIL), Subsidiary Company

A statement containing the salient features of Financial Statements of Xlerate Driveline India Limited (XDIL), Wholly Owned Subsidiary Company in prescribed Form AOC-1 in terms of the provisions of Section 129 of the Companies Act, 2013 read with Rule 5 of the Companies (Accounts) Rules, 2014, forms part of the Financial Statements.

Annual Return

In terms of the provisions of Section 134(3)(a) read with 92(3) of the Companies Act, 2013 and the relevant rules made thereunder, a copy of the Annual return as prescribed under Section 92 of the Companies Act, 2013, as amended shall be made available on the website of the Company www.raunaqinternational.com under the link www.raunaqinternational.com/pdf/rrpc-annual-return-2019-20.pdf.

Compliance of Secretarial Standards

During the period under review, the Company has duly complied with the applicable Secretarial Standards issued by the Institute of Company Secretaries of India.

Court/Tribunal Orders

There were no instances of any significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and Company's operations in future.

Acknowledgements

The Board of Directors gratefully acknowledge the continued co-operation, trust and support of the shareholders and would like to place on record its appreciation for the dedicated services rendered by the Employees at all levels. The Directors further express their gratitude to the Bankers, Customers and Sub-vendors and other associates for co-operation and confidence reposed by them in the Company.

For and on behalf of the Board of Directors



Surinder Paul Kanwar
Chairman and Managing Director
DIN: 00033524

Dated: 30 June, 2020

Annexure-"A"

Details pertaining to remuneration as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

1. Only one director draws managerial remuneration as per Schedule V of the Companies Act, 2013. The ratio of the remuneration of such director to the median remuneration of the employees of the Company for the financial year 2019-20:

S.No.	Name of the Director	Ratio of Remuneration of Director to median remuneration of employees
1.	Mr. Sachit Kanwar Joint Managing Director	25.25

Other directors are being paid with sitting fees only, details of which are mentioned in the Corporate Governance Report.

2. The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year:

S.No.	Name of the Director/KMP	% increase in Remuneration in the Financial Year 2019-20
1.	Mr. Sachit Kanwar Joint Managing Director	(6.94)
2.	Mr. Rajan Malhotra Chief Executive Officer	4.61
3.	Mr. Himanshu Goyal Chief Financial Officer	Not Applicable*
4.	Ms. Vartika Malhotra Company Secretary	Not Applicable**

* Appointed w.e.f. 26 September, 2019. Drawn remuneration from Xlerate Driveline India Limited, Wholly Owned Subsidiary during Financial Year 2019-20.

** Appointed w.e.f. 13 November, 2019. Drawn remuneration from Xlerate Driveline India Limited, Wholly Owned Subsidiary during Financial Year 2019-20.

3. Percentage increase in the remuneration of the median employee is 1.52% in the Financial Year 2019-20.

4. There were 66 permanent employees on the rolls of the Company as on 31 March, 2020.

5. The average percentage increase made in the salaries of employees other than the managerial personnel in the last financial year 2019-20 was 3.00% and average percentage increase in the managerial remuneration of persons referred in point no. 2 is (29.83)% in the financial year 2019-20.

6. It is affirmed that the remuneration paid is as per the Remuneration policy for Directors, Key Managerial Personnel and other Employees.

For and on behalf of the Board of Directors

Surinder Paul Kanwar
Chairman and Managing Director
DIN: 00033524

Dated: 30 June, 2020

Annexure-"B"

Information Pursuant to Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 Forming Part of the Board's Report for the year ended 31 March, 2020

A. Top Ten Employees of the Company in terms of remuneration drawn for the year ended 31 March, 2020

S. No.	Name	Age in Years	Qualification	Designation	Date of Commence-ment of Employ-ment	Years of Exp.	Remuneration (Rs. in Lacs)	Particulars of Last Employment	Percentage of Shareholding in the Company
1.	Mr. Sachit Kanwar**	37	B.A. (ECO)	JMD	23.03.2009	16	78.15	Lease Portfolio Manager-Airport Kia Toronto Ltd.	0.00
2.	Mr. Rajan Malhotra	62	B.E.	CEO	08.11.2005	41	46.35	Utility Power Tech Ltd.	0.01
3.	Mr. A.D. Jain	63	B. Tech - Civil	V.P.-Project	09.07.1979	41	38.33	The Cementation Contruction Ltd.	0.00
4.	Mr. Nitin Jain	58	DME	DGM-Sales	01.12.2006	35	19.16	AL Hassan Engineering Ltd.	0.00
5.	Mr. Vipin Kumar	58	DME	AGM-Projects	01.02.2006	39	16.31	Tyco Valves & Controls India Pvt. Ltd.	0.00
6.	Mr. Jagmohan Singh Bisht	52	DME	Sr. Manager-Project	06.08.2007	32	13.08	Lloyd Insulation (India) Limited	0.00
7.	Mr. Rituraj Singh	33	B.E.	Asst. Manager	02.05.2011	12	10.91	Satnam Global Infra Projects Ltd.	0.00
8.	Mr. Jyoti Ranjan Behera	39	B. Tech	Dy. Manager	09.11.2006	14	9.55	-	0.00
9.	Mr. Akhilesh Kumar Mishra	40	B. Tech - ME	Asst. Manager	01.01.2007	14	8.34	Tulip Elastics Pvt. Ltd.	0.00
10.	Mr. V.N. Sharma	54	Dip. Civil	Asst. Manager	22.09.2003	32	7.89	Econ Puri Consortium	0.00

** 50 % of total Salary drawn from Xlerate Driveline India Limited, Wholly Owned Subsidiary w.e.f. 01 June, 2019.

B. Employed throughout the year ended 31 March, 2020 & were in receipt of Remuneration aggregating not less than Rs. 1,02,00,000/- per annum.

NIL

C. Employed for the part of the year ended 31 March, 2019 & were in receipt of Remuneration aggregating not less than Rs. 8,50,000/- per month.

NIL

D. if employed throughout the financial year or part thereof, was in receipt of remuneration in that year which, in the aggregate, or as the case may be, at a rate which, in the aggregate, is in excess of that drawn by the managing director or whole-time director or manager and holds by himself or along with his spouse and dependent children, not less than two percent of the equity shares of the Company.

NOTES :

01. Remuneration includes Salary, Allowances, Co's Contribution to Provident Fund & Superannuation Fund, and Value of other perquisites.

02. Mr. Sachit Kanwar, Joint Managing Director is a relative of Mr. Surinder Paul Kanwar, Chairman & Managing Director and Mr. Sameer Kanwar, Non-Executive Director of the Company.

03. Appointment of Mr. Sachit Kanwar is on Contractual basis.

For and on behalf of the Board of Directors



Surinder Paul Kanwar
Chairman and Managing Director
DIN: 00033524

Dated: 30 June, 2020

Annexure-"C"

ANNUAL REPORT ON CSR ACTIVITIES FOR THE FINANCIAL YEAR 2019-20

1.	A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.	A brief outline of the Company's CSR policy has been provided in the "CSR initiatives" section under the Annual Report
2.	The Composition of the CSR Committee:- Mr. Surinder Paul Kanwar Chairman Mr. Sachit Kanwar Member Mr. P.K. Mittal Member	
3.	Average net profit of the company for last three financial years (₹ in lacs)	(153.22)
4.	Prescribed CSR Expenditure (two per cent. of the amount as in item 3 above) (₹ in lacs)	NIL
5.	Details of CSR spent during the financial year: (a) Total amount to be spent for the financial year (b) Amount unspent, if any (c) Manner in which the amount spent during the financial year is detailed below	As per the provisions of Section 135 of the Companies Act, 2013, the Company was not required to spend any amount on CSR activities during the Financial Year 2019-20 in terms of loss incurred during the Financial Year 2018-19.

1	2	3	4	5	6	7	8
S.No	**CSR project or activity Identified**	**Sector in which the project is covered**	**Projects or Programmes** **(1) Local area or other** **(2) Specify the State and District where projects or programs was undertaken**	**Amount outlay (budget) project or programs wise**	**Amount spent on the projects or programs** **Sub-heads:** **(1) Direct expenditure on projects or programs** **(2) Overheads**	**Cumulative expenditure upto the reporting period**	**Amount spent:** **Direct or through implementing agency***
1.				NIL			
TOTAL				**NIL**			

6. As per the provisions of Section 135 of the Companies Act, 2013, the Company was not required to spend any amount on CSR activities during the Financial Year 2019-20 in terms of the loss incurred during the Financial Year 2018-19.

7. The CSR Committee confirms that the implementation and monitoring of CSR policy, is in compliance with CSR objectives and policy of the Company.

Surinder Paul Kanwar
Chairman and Managing Director
DIN: 00033524

Sachit Kanwar
Joint Managing Director
DIN: 02132124

Dated: 30 June, 2020

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31 MARCH, 2020

[Pursuant to Section 204(1) of the Companies Act, 2013 read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Regulation 24A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

To

The Members
Raunaq EPC International Limited
(CIN: L51909HR1965PLC034315)
20 K.M. Mathura Road
P.O. Amar Nagar
Faridabad-121 003
Haryana

We have conducted the Secretarial Audit in respect of compliance with applicable statutory provisions and the adherence to good corporate practices by **RAUNAQ EPC INTERNATIONAL LIMITED** having CIN: L51909HR1965PLC034315 (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information, details and explanations provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31 March 2020, complied with the statutory provisions listed hereunder in general and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter: On the basis of examination and verification of the registers, records and documents produced to us and according to information and explanations given to us by the Company along with the discussion with the management of the Company on various aspects of Compliances by the Company of various other Acts and Rules, the Company has, in our opinion, complied with the provisions of the Companies Act, 2013 ("the Act") and Rules made thereunder, the Secretarial Standards issued by the Institute of Company Secretaries of India (ICSI) and the Memorandum and Articles of Association of the Company, with regard to:

a) Maintenance of various statutory registers and documents and making necessary entries therein;

b) Closure of register of Members: **Not Applicable during the year;**

c) Forms, returns, documents and resolutions required to be filed with the Ministry of Corporate Affairs, Government of India;

d) Service of Documents by the Company to its members, Auditors and the Registrar of Companies;

e) Notice of Board/Committee Meetings of the Company;

f) Minutes of proceedings of General Meetings and Board/Committee Meetings;

g) Approval of the Members, the Board of Directors and its Committees and the government authorities, wherever required;

h) The Company has obtained necessary disclosures from all the directors and confirmation from the Independent Directors with regard to their Independence;

i) Constitution of the Board of Directors/Committee(s), appointment, retirement and re-appointment of Directors including the Managing Director;

j) Payment of remuneration to Directors including the Managing Director and other Directors, wherever applicable;

k) Appointment and remuneration of Auditors;

l) Transfers and Transmissions of the Company's Shares, and issue and dispatch of duplicate certificates of shares.

m) Borrowings and Registration, modification and satisfaction of charges, wherever applicable.

n) Financial Statements comprising of Balance Sheet, Statement of Profit and Loss Account and Cash Flow Statement as prescribed in Schedule III to the Act.

o) Board's Report;

p) Contracts, Common Seal, registered Office and publication of name of the Company; and

q) All other applicable provisions of the Act and Rules made under the Act.

The 54th Annual General Meeting of the Company was held on 05 August, 2019.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31 March, 2020 according to the provisions of: The Companies Act, 2013 (the Act) and the Rules made thereunder;

- The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;
- The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

- Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;- **Not applicable as the Company has not obtained any FDI, or ECB or made any ODI during the year under review.**
- The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):

  I. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

  II. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

  III. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; – **Not Applicable, as the Company did not issue any securities during the year under review;**

  IV. The Securities and Exchange Board of India (Share Benefits Employee Benefits) Regulations, 2014; – **Not Applicable as the Company does not have Employee Stock Option Scheme for its employees;**

  V. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; – **Not applicable as the Company has not issued any debt securities during the year under review;**

  VI. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; - **Not applicable as the Company is not registered as Registrar to an Issue and Share Transfer Agent during the year under review;**

  VII. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;– **Not applicable as the Company has not delisted its Equity Shares from any stock exchange during the year under review; and**

  VIII. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;- **Not Applicable as the Company has not done any buyback of its securities during the year under review.**

- Chapter V of the Finance Act, 1994 (Service Tax), the Central Goods and Services Tax Act, 2017, Rules made thereunder and Notifications issued from time to time etc.;
- The Indian Contract Act, 1872;
- The Indian Stamp Act, 1999;
- The Limitation Act, 1963;
- The Payment of Wages Act, 1936;
- The Minimum Wages Act, 1948 and Punjab Minimum Wages Rules, 1950;
- The Employees Provident Fund and Misc. Provisions Act, 1952;
- The Employees Deposit-Linked Insurance Scheme, 1976;
- The Employees' Pension Scheme, 1995;
- The Employees State Insurance Act, 1948; Employees' State Insurance (Central) Rules, 1950 and Employees' State Insurance (General) Regulations, 1950;
- The Equal Remuneration Act, 1976;
- The Payment of Bonus Act, 1965;
- The Contract Labour (Regulation and Abolition) Act, 1970 and Contract Labour (Regulation and Abolition) Rules (as per respective state);
- The Environment (Protection) Act, 1986;
- The Income Tax Act 1961 and Income Tax Rules, 1962;
- The Negotiable Instrument Act, 1881;
- The Maternity Benefits Act, 1961;
- The Payment of Gratuity Act, 1972;
- The Transfer of Property Act, 1882;
- The Indian Registration Act, 1908;
- The Industrial Health & Safety Act, 1972;
- The Indian Evidence Act, 1872;
- The Consumer Protection Act, 1886;
- The Child Labour (Regulation and Abolition), Act 1970;
- The Weekly Holiday Act, 1942;
- The Sexual Harassment of Women at Work Place (Prevention, Prohibition and Redressal) Act, 2013;
- The Electricity Act, 2003;

- The Micro, Small and Medium Enterprises Development Act, 2006;
- The Information Technology Act, 2000;
- Information Technology (Reasonable security practices and procedures and sensitive personal data or information) Rules, 2011.

We have also examined compliance with the applicable clauses of the following:

(i) Secretarial Standards issued by The Institute of Company Secretaries of India (ICSI);

(ii) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. as mentioned above.

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The Changes in the composition of Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

During the year under review, following changes took place in the composition of the Board of Directors and Key Managerial Personnel of the Company:

S.no.	Name of Director/KMP	Date of Change	Particulars of Change
1.	Mr. V.K. Pargal (Non-Executive Independent Director)	19 April, 2019	Cessation
2.	Mr. N.V. Srinivasan (Non-Executive Director)	19 April, 2019	Cessation
3.	Mr. Rajiv Chandra Rastogi (Non-Executive Independent Director)	22 April, 2019	Appointment
4.	Mr. Sukhvir (Company Secretary)	22 May, 2019	Appointment
5.	Mr. Sukhvir (Company Secretary)	06 September, 2019	Cessation
6.	Mr. Sachin Kumar Mittal (Manager-F & A and (CFO))	30 September, 2019	Cessation
7.	Mr. Sameer Kanwar (Non-Executive Director)	13 November, 2019	Appointment
8.	Ms. Vartika Malhotra (Company Secretary)	13 November, 2019	Appointment
9.	Mr. Naresh Kumar Verma (Non-Executive Director)	04 December, 2019	Appointment
10.	Mr. Himanshu Goyal (Senior Officer-F & A and (CFO))	30 January, 2020	Appointment

During the year under review, the Company has passed the following resolution(s) by Circulation:

S.No.	Board of Directors/ Committee	Particulars of Resolution	Date of Resolution passed by Circulation	Date of Noting
1.	Stakeholders' Relationship Committee	Consideration and approval of the issue of Duplicate Share Certificate(s)	02 April, 2019	22 May, 2019
2.	Nomination and Remuneration Committee	Consideration and recommendation of the appointment of Mr. Rajiv Chandra Rastogi as an Additional Director of the Company	18 April, 2019	22 May, 2019
3.	Board of Directors	Resignation of Mr. V.K. Pargal from the Directorship of the Company	22 April, 2019	22 May, 2019
		Resignation of Mr. N.V. Srinivasan from the Directorship of the Company		
		Consideration and approval of the Appointment of Mr. Rajiv Chandra Rastogi as an Additional Director of the Company		
		Consideration and approval of the continuation of Ms. Seethalakshmi Venkataraman as a Non-Executive Independent Director on the Board of the Company		
		Consideration and approval of the reconstitution of the Audit Committee of Board of Directors of the Company		
		Consideration and approval of the reconstitution of the Nomination and Renumeration Committee of the Board of Directors of the Company		
4.	Audit Committee	Consideration and approval of the renewal of Lease Agreement with Bharat Gears Limited	23 April, 2019	22 May, 2019
		Consideration and approval of the renewal of Lease Agreement with Vibrant Finance and Investment Private Limited		
		Review of the ongoing Related Party transaction between the Company and its Related parties		
5.	Board of Directors	Consideration and approval of the Revised Code for prevention of Insider Trading pursuant to the SEBI (Prohibition of Insider Trading) Regulations, 2015	02 May, 2019	22 May, 2019
6.	Board of Directors	Appointment of Nodal Officer for the purpose of Verification of claims and coordination with Investor Education and Protection Fund Authority in terms of Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016	03 September, 2019	13 November, 2019
7.	Nomination and Remuneration Committee	Consideration and Recommendation of appointment of Mr. Sameer Kanwar as an Additional Director of the Company	11 November, 2019	13 November, 2019
		Consideration and Recommendation of appointment of Ms. Vartika Malhotra as Company Secretary and Compliance Officer of the Company		
8.	Board of Directors	To take note of the intimation received from Bharat Gears Limited, a Group Company deferring the acquisition of Xlerate Driveline India Limited, Wholly Owned Subsidiary of the Company	15 November, 2019	30 January, 2020
9.	Nomination and Remuneration Committee	Consideration and Recommendation of appointment of Mr. Naresh Kumar Verma as an Additional Director of the Company	03 December, 2019	30 January, 2020
10.	Board of Directors	Consideration and approval of appointment of Mr. Naresh Kumar Verma as an Additional Director of the Company	04 December, 2019	30 January, 2020
11.	Nomination and Remuneration Committee	Consideration and recommendation of the designation of Mr. Himanshu Goyal Senior Officer-F & A as Senior Officer – F & A and Chief Financial Officer (CFO) of the Company	28 January, 2020	30 January, 2020
12.	Board of Directors	Consideration and approval of the reconstitution of the Audit Committee of Board of Directors of the Company	30 January, 2020	30 January, 2020
13.	Audit Committee	Review of Ongoing Related Party Transactions between the Company and its Related Parties	31 March, 2020	As Applicable

Adequate notice is given to all the Directors to schedule the Board Meetings, Agenda and detailed notes on agenda were sent at least seven days in advance, and a system exits for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. Majority decision is carried through while the dissenting members' views, if any are captured and recorded as part of the minutes.

The Company has obtained all the necessary approvals under the various provisions of the Act, as and when required.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure Compliance with applicable Laws, rules, regulations and guidelines.

Our Observation:

- There are certain delays and pendency in depositing Provident Fund, Payment of Wages, Filing of Income tax returns/payment of Income tax, TDS as the case may be, Filing GST Returns and other material statutory dues applicable to the Company under various acts.
- There are no other specific events/actions in pursuance of the above referred laws, rules, regulations guidelines etc. having a major bearing on the Company's Affairs.

For ETIKA AGGARWAL & ASSOCIATES



ETIKA AGGARWAL
Proprietor
M No.:42749
CP No.18788

Place: Delhi
Date: 22.06.2020
UDIN NO.: A042749B000405991

'ANNEXURE A'

To

The Members
RAUNAQ EPC INTERNATIONAL LIMITED
(CIN: L51909HR1965PLC034315)
20 K.M. Mathura Road, P.O. Amar Nagar
Faridabad-121003, Haryana

Our report of even date is to be read along with this letter.

1. Maintenance of Secretarial and other records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these Secretarial records based on our audit.

2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the records. The verification was done on test basis to ensure that correct facts are reflected in the records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.

3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.

4. Wherever required, we have obtained the Management Representation about the compliance of laws, rules and regulations and happening of events etc.

5. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of the Management. Our examination was limited to the verification of procedures on test basis.

6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For ETIKA AGGARWAL & ASSOCIATES



ETIKA AGGARWAL
Proprietor
M No.:42749
CP No.18788

Place: Delhi
Date: 22.06.2020
UDIN NO.: A042749B000405991

CORPORATE GOVERNANCE REPORT

For the Year ended 31 March, 2020
[Pursuant to Schedule V(C) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("The Regulations")]

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

The Company's Philosophy on Corporate Governance is to achieve Business Excellence, enhance long term values for its stakeholders, maintaining excellent relations across all levels and proper compliance with all applicable legal and regulatory requirements. We believe that Corporate Governance is a journey for constantly improving sustainable value creation and through the Governance mechanism in the Company, the Board alongwith its Committees undertake its fiduciary responsibilities to all its stakeholders by ensuring transparency, fairplay and independence in its decision making.

The Company not only adheres to the prescribed Governance practices under the Regulations but is constantly striving to adopt emerging best practices. It is our endeavor to achieve higher standards and provide oversight and guidance to management in strategy implementation and risk management and fulfillment of stated goals and objectives. The Company's philosophy on Corporate Governance is based on the following principles:

- Accountability, independence, effective internal surveillance, voluntary legal compliance and governing rules and procedures.
- Empowering the management and employees to showcase strength, ownership, innovation and passion to excel and lead.
- Efficient resource management to enhance enterprise value and return on investment.
- Working for the society and community.
- Be transparent and maintain a high degree of disclosure levels.
- Legal and statutory compliances in its true spirit.
- Safeguard integrity in financial reporting.

The Company has established systems and procedures to ensure that its Board of Directors is well-informed and well-equipped to fulfill its overall responsibilities and to provide the management with the strategic direction needed to create long-term shareholder value.

The Board of Directors ("the Board") is committed to sound principles of Corporate Governance in the Company. The Board plays a crucial role in overseeing how the management serves the short and long term interests of shareholders and other stakeholders. This belief is reflected in our corporate governance practices, under which we strive to maintain an effective, informed and Independent Board. We keep our governance practices under continuous review and benchmark ourselves to best practices.

The Company recognizes communication as key element in the overall Corporate Governance framework and therefore, emphasizes on keeping abreast its stakeholders including investors, lenders, vendors and customers on continuous basis by effective and relevant communication through Annual Reports, quarterly results, corporate announcements and reflecting the same on the Company's official website i.e. www.raunaqinternational.com.

2. GOVERNANCE STRUCTURE

The Company's Governance comprises a twofold layer, the Board of Directors and the Committees of the Board at the apex level and the Management of the Company at an operational level. This brings about a homogenous blend in governance as the Board lays down the overall corporate objectives and provides direction and independence to the Management to achieve these objectives within a given framework. This professionally managed process results in building a conducive environment for sustainable business operations and value creation for all stakeholders.

3. BOARD OF DIRECTORS

Your Company has an optimum combination of Executive and Non-Executive Independent Directors on the Board which includes one Woman Director in compliance of Regulation 17(1) of the Regulations. As on 31 March, 2020, the Board consists of 8 (Eight) members, the Chairman of the Board is an Executive Director and one half of the strength of the Board consists of Non-Executive Independent Directors. The composition of the Board represents an optimal mix of professionalism, knowledge, expertise and experience that enables the Board to discharge its responsibilities efficiently and provide effective leadership to the business in line with the Company's present requirements.

There is no nominee Director in the Company.

A brief profile of the members of the Board is also available on the Company's official website i.e. www.raunaqinternational.com.

A. Board's definition of Independent Director

Independent Director shall mean Non-Executive Director, other than a Nominee Director of the Company:

a. who, in the opinion of the Board of Directors, is a person of integrity and possesses relevant expertise and experience;

b. (i) who is or was not a promoter of the Company or its holding, subsidiary or associate Company or member of the promoter group of the Company;

(ii) who is not related to Promoters or Directors in the Company, its holding, subsidiary or associate Company;

c. who, apart from receiving Director's remuneration, has or had no pecuniary relationship or having transaction not exceeding ten per cent of his total income or such amount as may be prescribed, with the Company, its holding, subsidiary or associate Company, or their Promoters, or Directors, during the two immediately preceding financial years or during the current financial year;

d. none of whose relatives has or had pecuniary relationship or transaction with the Company, its holding, subsidiary or associate Company, or their Promoters, or Directors, amounting to two per cent or more of its gross turnover or total income or fifty lakh rupees or such higher amount as may be prescribed, whichever is lower, during the two immediately preceding financial years or during the current financial year;

e. none of whose relatives—

(i) is holding any security of or interest in the Company, its holding, subsidiary or associate Company during the two immediately preceding financial years or during the current financial year:

Provided that the relative may hold security or interest in the Company of face value not exceeding fifty lakh rupees or two per cent of the paid-up capital of the Company, its holding, subsidiary or associate Company or such higher sum as may be prescribed;

(ii) is indebted to the Company, its holding, subsidiary or associate Company or their promoters, or directors, in excess of such amount as may be prescribed during the two immediately preceding financial years or during the current financial year;

(iii) has given a guarantee or provided any security in connection with the indebtedness of any third person to the Company, its holding, subsidiary or associate Company or their promoters, or directors of such holding Company, for such amount as may be prescribed during the two immediately preceding financial years or during the current financial year; or

(iv) has any other pecuniary transaction or relationship with the Company, or its subsidiary, or its holding or associate Company amounting to two per cent or more of its gross turnover or total income singly or in combination with the transactions referred to in sub-clause (i), (ii) or (iii);

f. who, neither himself/herself nor any of his/her relatives —

(i) holds or has held the position of a Key Managerial Personnel or is or has been employee of the Company or its holding, subsidiary or associate Company in any of the three financial years immediately preceding the current financial year;

Provided that in case of a relative who is an employee, the restriction under this clause shall not apply for his employment during preceding three financial years.

(ii) is or has been an employee or proprietor or a partner, in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed, of —

(A) a firm of Auditors or Company Secretaries in Practice or Cost Auditors of the Company or its holding, subsidiary or associate Company; or

(B) any legal or a consulting firm that has or had any transaction with the Company, its holding, subsidiary or associate Company amounting to ten per cent or more of the gross turnover of such firm;

(iii) holds together with his relatives two per cent or more of the total voting power of the Company; or

(iv) is a Chief Executive or Director, by whatever name called, of any non-profit organization that receives twenty-five per cent or more of its receipts from the Company, any of its Promoters, Directors or its holding, subsidiary or associate Company or that holds two per cent or more of the total voting power of the Company;

(v) is a material supplier, service provider or customer or a lessor or lessee of the Company;

g. who is not less than 21 years of age.

h. who is not a Non-Independent Director of another Company on the Board of which any Non-Independent Director of the Company is an Independent Director.

It has been confirmed by all the Independent Directors of the Company that as on 31 March, 2020, they fulfill the criteria of being "Independent Director" as stipulated under Regulation 16 of the Regulations and are independent of the management. Further, the Independent Director(s) have declared that he/she is not aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact his/her ability to discharge his/her duties with an objective independent judgment and without any external influence.

The **Table-1** gives Composition of the Board, Attendance record of the Directors at the Board Meetings and at the last Annual General Meeting (AGM); Number of their outside Directorships and their Memberships/Chairmanships in Board Committees.

Table-1

S.No.	Name of Director(s)	Category	No. of Board Meetings held/ attended	Attendance at last AGM	No. of outside Directorships held[A]	No. of Memberships/ Chairmanships in Board Committees[B]	
						Member	Chairman
1.	[C]Mr. Surinder Paul Kanwar	Chairman and Managing Director	5/5	Present	2	2	-
2.	[C]Mr. Sachit Kanwar	Joint Managing Director- Promoter	5/5	Present	1	1	-
3.	[C]Mr. Sameer Kanwar*	Non-Executive Non Independent Director	1/0	NA	1	1	-
4.	[D]Mr. P.K. Mittal	Non-Executive Independent Director	5/3	Present	-	1	1
5.	Dr. Sanjeev Kumar	Non-Executive Independent Director	5/2	Present	2	-	2
6.	Mr. Rajiv Chandra Rastogi**	Non-Executive Independent Director	5/5	Present	1	2	-
7.	Ms. Seethalakshmi Venkataraman	Non-Executive Independent Director	5/5	Present	-	1	-
8.	Mr. Naresh Kumar Verma***	Non-Executive Non Independent Director	1/1	NA	-	-	-

*Appointed w.e.f. 13 November, 2019.

**Appointed w.e.f. 22 April, 2019.

***Appointed w.e.f. 04 December, 2019.

During the Financial Year 2019-20, Mr. V.K. Pargal and Mr. N.V. Srinivasan have resigned from the Directorship of the Company w.e.f. 19 April, 2019. Mr. V.K. Pargal, the erstwhile Non-Executive Independent Director had stated that he has resigned due to personal reasons and confirmed in his resignation letter that there are no other reasons, material or otherwise other than those provided. The said confirmation as provided by Mr. V.K. Pargal, the erstwhile Non-Executive Independent Director had been disclosed to BSE Limited along with a copy of his resignation letter including the detailed reasons for such resignation.

The **Table-2** gives the details of Directorships of the Directors in other listed Companies and the category of directorship.

Table-2

S. No.	Name of Director(s)	Category	Name of other Listed Company	Category of Directorship in other listed Company
1.	Mr. Surinder Paul Kanwar	Chairman and Managing Director	Bharat Gears Limited	Chairman and Managing Director
2.	Mr. Sachit Kanwar	Joint Managing Director	NIL	N.A.
3.	Mr. Sameer Kanwar	Non-Executive Non Independent Director	Bharat Gears Limited	Joint Managing Director
4.	Mr. P.K. Mittal	Non-Executive Independent Director	NIL	N.A.
5.	Dr. Sanjeev Kumar	Non-Executive Independent Director	NIL	N.A.
6.	Mr. Rajiv Chandra Rastogi	Non-Executive Independent Director	NIL	N.A.
7.	Ms. Seethalakshmi Venkataraman	Non-Executive Independent Director	NIL	N.A.
8.	Mr. Naresh Kumar Verma	Non-Executive Non Independent Director	NIL	N.A.

[A]excluding directorship in Private Limited Companies, Alternate Directorship, Companies registered under Section 8 of the Companies Act, 2013 and Foreign Companies.

[B]For the purpose of considering the limit of the Committees on which a Director can serve, all Public Limited Companies, whether listed or not, are included and all other Companies including Private Limited Companies, Foreign Companies and the Companies under Section 8 of the Companies Act, 2013 are excluded and further, it includes Membership/Chairmanship of Audit Committee and Stakeholders' Relationship Committee only in terms of Regulation 26(1) of the Regulations. None of the Directors of your Company is a Member of more than 10 (Ten) Committees or is the Chairman of more than 5 (Five) Committees across all Public Limited Companies in

which they are Directors. The Membership/Chairmanship also includes Membership/Chairmanship in Raunaq EPC International Limited.

[c]Mr. Surinder Paul Kanwar is the father of Mr. Sachit Kanwar and Mr. Sameer Kanwar. Mr. Sachit Kanwar has been appointed as Joint Managing Director with effect from 01 June, 2016 for a period of 5 (Five) years upto 31 May, 2021 and Mr. Sameer Kanwar has been appointed as the Additional Director in the capacity of Non Executive Director with effect from 13 November, 2019, to hold the office till the conclusion of the next Annual General Meeting (AGM) of the Company.

[d]Mr. Praveen Kumar Mittal, relative of P.K. Mittal, Non-Executive Independent Director is also providing professional/consultancy service to the Company in his individual capacity. Professional fees paid to him for the year 2019-20 is ₹ 1,80,000/- (Rupees One Lakh Eighty Thousand Only). The Board is of the opinion that such payments in the context of overall expenditure by the Company, is not significant and does not affect independence of Mr. P.K. Mittal, Director.

Apart from this, no other Non-Executive Director is related to any other Director inter-se and has any material pecuniary relationships/transactions vis-à-vis the Company (other than the sitting fees for attending the Board/Committee meetings).

The terms of appointment of the Directors appointed at the Annual General Meeting of the Company held on 05 August, 2019 are available on the official website of the Company i.e. www.raunaqinternational.com.

In terms of Regulation 17(1A) of the Regulations, the consent of the members has been obtained at the Annual General Meeting (AGM) of the Company held on 05 August, 2019 for continuation of Non-Executive Director(s) who have attained the age of Seventy Five Years, upto their respective present tenure.

In terms of Regulation 25(7) of the Regulations, the Company has adopted a familiarization programme for the Directors that covers familiarizing the Directors about the nature of the industry in which the Company operates, business model of the Company, their roles, responsibilities and other relevant details by way of:

- Circulation of an elaborated note on business operations with regard to the operations and financial position of the Company as at the end of each quarter with the Agenda of each Board Meeting.
- Apprising the Board members about the operations at the ongoing project sites of the Company, the various clients, the new projects awarded to the Company, the debtors position and other details of the ongoing project sites so as to provide the Board a brief idea of the various types of jobs carried upon by the Company and their periodic developments.
- Updating the Directors of any amendments in laws, rules and regulations as applicable on the Company through various presentations at the Board Meeting(s) in consultation with the Statutory Auditors, Internal Auditors and the Secretarial Auditors of the Company likewise the Companies Act, SEBI Laws and such other laws and regulations as may be applicable.
- Various presentations are conducted at meetings of the Board/Committees of the Board periodically to familiarize the Directors with the business performance, business strategy, operations and functions of the Company. Such presentations help Directors to understand the Company's Strategy, Operations, Market Competition, Organization Structure, Risk Analysis and such other areas.

The details of familiarization programme during the Financial Year 2019-20 are available on the official website of the Company i.e. www.raunaqinternational.com under the link: https://www.raunaqinternational.com/pdf/DETAILS-OF-FAMILIARIZATION-PROGRAMME-FOR-INDEPENDENT-DIRECTORS-FY-19-20.pdf

The **Table-3** gives the details of core skills/expertise/competencies identified by the Board of Directors as required in the context of Company's business(es) and sector(s) for Company to function effectively and those actually available with the Board.

Table-3

S.No.	Core skills/expertise/ competencies	Available with the Board (YES/NO)	Name of Directors who have such Core skills/ expertise/competencies
1.	Knowledge of Core Business i.e. EPC	YES	Mr. Surinder Paul Kanwar Mr. Sachit Kanwar Mr. Sameer Kanwar Dr. Sanjeev Kumar Ms. Seethalakshmi Venkataraman
2.	Strategic Planning	YES	Mr. Surinder Paul Kanwar Mr. Sachit Kanwar Dr. Sanjeev Kumar Mr. P.K. Mittal Mr. Naresh Kumar Verma
3.	Project Analysis and Marketing	YES	Mr. Surinder Paul Kanwar Mr. Sachit Kanwar Ms. Seethalakshmi Venkataraman
4.	Knowledge of Macro Environment vis-à-vis Industry	YES	Mr. Surinder Paul Kanwar Mr. Sachit Kanwar Mr. Sameer Kanwar Dr. Sanjeev Kumar Mr. P.K. Mittal

5.	Financial Literacy	YES	Mr. Surinder Paul Kanwar Mr. Sachit Kanwar Mr. Sameer Kanwar Dr. Sanjeev Kumar Mr. P.K. Mittal Mr. Rajiv Chandra Rastogi Ms. Seethalakshmi Venkataraman
6.	Ability to read Financial Statements	YES	Mr. Surinder Paul Kanwar Mr. Sachit Kanwar Mr. Sameer Kanwar Dr. Sanjeev Kumar Mr. P.K. Mittal Mr. Rajiv Chandra Rastogi Ms. Seethalakshmi Venkataraman Mr. Naresh Kumar Verma

B. Board Meetings

During the financial year 2019-20, 5(Five) Board Meetings were held on the following dates. The gap between any two meetings was not more than 120 (one hundred and twenty) days as mandated in Regulation 17(2) of the Regulations:-

- 22 May, 2019;
- 04 July, 2019;
- 05 August, 2019;
- 13 November, 2019; and
- 30 January, 2020

The Company Secretary prepares the agenda and explanatory notes, in consultation with the Chairman and Managing Director, Joint Managing Director and Chief Financial Officer and circulates the same in advance to the Directors. The Board meets at least once every quarter inter alia to review the quarterly results. Additional meetings are held, when necessary. Wherever it is not possible to convene a Board Meeting, resolutions are passed by circulation in order to meet the business exigencies. Presentations are made to the Board on the business operations and performance of the Company. The minutes of the proceedings of the meetings of the Board of Directors are noted and the draft minutes are circulated amongst the members of the Board for their perusal. Comments, if any received from the Directors are also incorporated in the minutes, in consultation with the Chairman and Managing Director. The Minutes are signed by Chairman of the Board at the next meeting and signed minutes are circulated amongst the members of the Board for their perusal. Senior management personnel are invited to provide additional inputs for the items being discussed by the Board of Directors as and when considered necessary.

Post Meeting Follow Up System: The Company has an effective post Board Meeting follow up procedure. Action Taken Report on the decisions taken in a meeting are placed at the immediately succeeding meeting for information of the Board.

C. Information supplied to the Board

The Board has complete access to all information with the Company. The information is provided to the Board on regular basis and the agenda papers for the meetings are circulated in advance of each meeting. The information supplied to the Board includes the following, extent to the applicability during the year as per Regulation 17(7) read with Schedule II of the Regulations.

- Annual Operating Plans and Budgets and any updates.
- Capital budgets and any updates.
- Quarterly, Half Yearly and Yearly Results of the Company.
- Minutes of the Meetings of Audit Committee and other Committees of the Board.
- Sale of investments, subsidiaries, assets which are material in nature and not in normal course of business.
- The information on recruitment and remuneration of senior officers just below the level of Board of Directors, including appointment or removal of Chief Financial Officer and the Company Secretary.

The Board periodically reviews the compliance reports of all laws applicable to the Company prepared by the Company along with the declaration made by all the respective departmental heads and by the Joint Managing Director regarding compliance with all applicable laws.

4. BOARD COMMITTEES

A. Audit Committee

I. Constitution and Composition

In terms of Regulation 18 of the Regulations, the "Audit Committee" comprises of the following Non-Executive and Independent Directors, who have financial/accounting acumen to specifically look into internal controls and audit procedures. All the members are financially literate and have accounting and financial management expertise. The **Table-4** gives the composition of the Audit Committee and attendance record of members of the Committee:

Table-4

S.No.	Name of Member	Designation	No. of meetings Held/ Attended
1.	Dr. Sanjeev Kumar	Chairman	5/2
2.	Mr. P.K. Mittal	Member	5/3
3.	Mr. Rajiv Chandra Rastogi@	Member	5/5
4.	Ms. Seethalakshmi Venkataraman*	Member	1/1
5.	Mr. V.K. Pargal@	Member	NA

@Mr. V.K. Pargal ceased to be a member of the Audit Committee on 19 April, 2019 pursuant to his resignation and Mr. Rajiv Chandra Rastogi had been inducted as a member of the Committee w.e.f. 22 April, 2019 pursuant to his appointment. Accordingly, the Audit Committee had been reconstituted. During the tenure of Mr. V.K. Pargal, no meeting of the Audit Committee had been held.

*Ms. Seethalakshmi Venkataraman had been inducted as a member of the Audit Committee w.e.f. 30 January, 2020. Accordingly, the Audit Committee has been reconstituted. Pursuant to her induction, 1 (One) meeting of the Audit Committee has been held on 30 January, 2020 and she attended the said meeting.

Existing members of the Committee consist of Dr. Sanjeev Kumar, Mr. P.K. Mittal, Mr. Rajiv Chandra Rastogi and Ms. Seethalakshmi Venkataraman, Non-Executive Independent Directors of the Company.

In addition to the Members of the Audit Committee, the Chief Financial Officer, Internal Auditors and Statutory Auditors attended the meetings of the Committee as invitees. Members held discussions with Statutory Auditors during the meetings of the Committee. The Audit Committee reviewed the quarterly, half-yearly and year to date un-audited and annual audited financials of the Company before submission to the Board of Directors for its consideration and approval. The Committee also reviewed and evaluated the internal control systems, Enterprise Risk Management system and internal audit reports.

Pursuant to the resignation of Ms. Sukriti Manna w.e.f. 11 March, 2019, Mr. Sukhvir had been appointed as the Company Secretary of the Company w.e.f. 22 May, 2019 and he resigned from the post of Company Secretary w.e.f. 06 September, 2019. Mr. Sukhvir acted as Secretary to Audit Committee Meeting(s) held after his appointment upto his resignation. Pursuant to the resignation of Mr. Sukhvir w.e.f. 06 September, 2019, Ms. Vartika Malhotra had been appointed as the Company Secretary of the Company w.e.f. 13 November, 2019 and she acted as Secretary to Audit Committee Meeting(s) held after her appointment.

The Chairman of the Audit Committee was present at the last Annual General Meeting to answer the queries of the shareholders to their satisfaction.

II. Audit Committee Meetings

During the year, 5 (Five) meetings of the Audit Committee were held on the following dates in terms of Regulation 18 of the Regulations:

- 22 May, 2019;
- 04 July, 2019;
- 05 August, 2019;
- 13 November, 2019; and
- 30 January, 2020

III. Powers of Audit Committee

The Audit Committee has been empowered with the adequate powers as mandated in Regulation 18 of the Regulations which includes the following:

1. To investigate any activity within its terms of reference.
2. To seek information from any employee.
3. To obtain outside legal or other professional advice.
4. To secure attendance of outsiders with relevant expertise, if it considers necessary.

IV. Role of Audit Committee

The role of the Audit Committee in terms of Regulation 18 read with Part C of Schedule II of the Regulations includes the following:

1. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
3. Approval of payment to Statutory Auditors for any other services rendered by the Statutory Auditors;
4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
   a. matters required to be included in the director's responsibility statement to be included in the board's report in terms of clause (c) of sub-section 3 of Section 134 of the Companies Act, 2013.
   b. changes, if any, in accounting policies and practices and reasons for the same.
   c. major accounting entries involving estimates based on the exercise of judgment by management.
   d. significant adjustments made in the financial statements arising out of audit findings.

e. compliance with listing and other legal requirements relating to financial statements.

f. disclosure of any related party transactions.

g. modified opinion(s) in the draft audit report.;

5. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval;

6. Reviewing, with the management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;

7. Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;

8. Approval or any subsequent modification of transactions of the Company with related parties;

9. Scrutiny of inter-corporate loans and investments;

10. Valuation of undertakings or assets of the Company, wherever it is necessary;

11. Evaluation of internal financial controls and risk management systems;

12. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;

13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;

14. Discussion with internal auditors of any significant findings and follow up there on;

15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;

16. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;

17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;

18. To review the functioning of the whistle blower mechanism;

19. Approval of appointment of Chief Financial Officer (CFO) (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;

20. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

21. Reviewing the utilization of loans and/or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans/advances/investments existing as on the date of coming into force of this provision i.e. 01 April, 2019.

The Audit Committee may also review such matters as may be referred to it by the Board or which may be specified as role of the Audit Committee under amendments, if any, from time to time, to the Regulations, Companies Act and other Statutes.

V. Review of Information by Audit Committee

The Audit Committee reviews the following information:

1. Management Discussion and Analysis of financial condition and results of operations;

2. Statement of significant Related Party Transactions (as defined by the Audit Committee), submitted by Management;

3. Management letters/letters of internal control weaknesses issued by the Statutory Auditors;

4. Internal Audit Reports relating to internal control weaknesses;

5. The appointment, removal and terms of remuneration of the Chief Internal Auditor shall be subject to review by the Audit Committee; and

6. Statement of deviations, if required.

B. Nomination and Remuneration Committee

I. Constitution and Composition

In terms of Section 178 of the Companies Act, 2013 and Regulation 19 of the Regulations, the Nomination and Remuneration Committee constitutes of following Directors as members. **Table-5** gives the composition of the Nomination and Remuneration Committee and the attendance record of the members of the Committee.

Table-5

S.No.	Name of Member	Designation	No. of meetings Held/ Attended
1.	Dr. Sanjeev Kumar	Chairman	2/1
2.	Mr. Surinder Paul Kanwar	Member	2/2
3.	Mr. P.K. Mittal	Member	2/0
4.	Mr. Rajiv Chandra Rastogi*	Member	2/2
5.	Mr. V.K. Pargal*	Member	NA

*Mr. V.K. Pargal ceased to be a member of the Nomination and Remuneration Committee on 19 April, 2019 pursuant to his resignation and Mr. Rajiv Chandra Rastogi had been inducted as a member of the Committee w.e.f. 22 April, 2019 pursuant to his appointment. Accordingly, the Nomination and Remuneration Committee had been reconstituted. During the tenure of Mr. V.K. Pargal, no meeting of the Nomination and Remuneration Committee had been held.

Existing members of the Committee consist of Dr. Sanjeev Kumar, Mr. P.K. Mittal and Mr. Rajiv Chandra Rastogi, Non-Executive Independent Directors and Mr. Surinder Paul Kanwar, Chairman and Managing Director of the Company.

II. Nomination and Remuneration Committee Meetings

In terms of Regulation 19 of the Regulations, at least 1(One) meeting of the Nomination and Remuneration Committee is held in each Financial Year.

During the Financial Year 2019-20, 2(Two) meetings of the Nomination and Remuneration Committee were held. **Table-6** gives the details of the date and purpose of the meetings of Nomination and Remuneration Committee:-

Table-6

S.No.	Date of Meeting	Purpose
1.	22 May, 2019	• Consideration and recommendation of the appointment of Mr. Sukhvir as Company Secretary and Compliance Officer of the Company. • Consideration and recommendation of the appraisal of Key Managerial Personnel (KMP) and Senior Management Personnel of the Company to the Board of Directors. • Consideration and recommendation of the payment of remuneration to Mr. Sachit Kanwar, Joint Managing Director for a period of 2 (Two) years w.e.f. 01 June, 2019 of his present tenure.
2.	30 January, 2020	Noting of the performance evaluation of Independent Directors carried on by the Board of Directors and performance evaluation by the Independent Directors in their separate meeting.

Pursuant to the resignation of Ms. Sukriti Manna w.e.f. 11 March, 2019, Mr. Sukhvir had been appointed as the Company Secretary of the Company w.e.f. 22 May, 2019 and he resigned from the post of Company Secretary w.e.f. 06 September, 2019. Pursuant to the resignation of Mr. Sukhvir w.e.f. 06 September, 2019, Ms. Vartika Malhotra had been appointed as the Company Secretary of the Company w.e.f. 13 November, 2019 and she acted as Secretary to Nomination and Remuneration Committee Meeting(s) held after her appointment.

The Chairman of the Nomination and Remuneration Committee was present at the last Annual General Meeting and replied to the queries of the shareholders to their

III. Role of Nomination and Remuneration Committee

The role of the Nomination and Remuneration Committee in terms of the Regulations includes the following:

1. formulation of the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy, relating to the remuneration of the Directors, Key Managerial Personnel and other employees;
2. formulation of criteria for evaluation of performance of Independent Directors and the Board;
3. devising a policy on Board diversity;
4. identifying persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board of Directors their appointment and removal.
5. deciding whether to extend or continue the term of appointment of the Independent Directors, on the basis of the report of performance evaluation of Independent Directors.
6. recommend to the Board, all remuneration, in whatever form, payable to Senior Management.

Pursuant to Schedule V to the Companies Act, 2013, in case of no profits or inadequate profits, the Nomination and Remuneration Committee has been empowered to consider, approve and recommend the remuneration of Whole Time Director/Managing Director.

IV. Nomination and Remuneration Policy

Pursuant to the provisions of the Companies Act, 2013 read with Regulation 19 of the Regulations, the policy on nomination and remuneration of Directors, Key Managerial Personnel and Senior Management as approved by the Board is available on the official website of the Company i.e. www.raunaqinternational.com.

The objectives and purpose of the said policy are:

- To lay down criteria and terms and conditions with regard to identifying persons who are qualified to become Directors (Executive and Non-Executive) and persons who may be appointed in Senior Management and Key Managerial positions and to determine their remuneration.
- To determine remuneration based on the Company's size and financial position and trends and practices on remuneration prevailing in peer companies, in the Construction industry.
- To carry out evaluation of the performance of Directors, as well as Key Managerial and Senior Management Personnel.
- To provide them reward linked directly to their effort, performance, dedication and achievement relating to the Company's operations.
- To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.

While deciding the remuneration for Directors, Key Managerial Personnel and other employees, the Board and the Nomination and Remuneration Committee takes into consideration the performance of the Company, the current trends in the industry, the qualification of the appointee(s), positive attributes, their independence, expertise, past performance and other relevant factors. The Board/Committee regularly keeps track of the market trends in terms of compensation levels and practices in relevant industries. This information is used to review the Company's remuneration policy from time to time.

V. Policy on Board Diversity

In terms of Regulation 19 of the Regulations, the Nomination and Remuneration Committee formed the policy on Board Diversity to provide for having a broad experience and diversity on the Board. The said policy is a part of Nomination and Remuneration Policy.

VI. Succession Plans for Board, KMPs and Senior Management

The Nomination and Remuneration Committee has a diligence process to determine the suitability of every person who is being considered for appointment or re-appointment as a Director, KMP or Senior Management Personnel of the Company as the case may be based on his/her educational qualifications, experience and track record.

The Committee has formed a Nomination and Remuneration Policy in accordance with the applicable provisions of the Companies Act, the Listing Regulations and other laws as applicable to the Company to guide the Board in relation to the appointment, re-appointment or removal of the person at the Board, KMP and Senior Management level.

The Committee carries out evaluation of performance of every Director, KMP and Senior Management Personnel at regular interval.

Further, Audit Committee under the Risk Management frame work evaluates and reviews the succession planning, skill development process and training requirements for the Senior Management Personnel and KMPs on quarterly basis.

VII. Performance Evaluation

In terms of Regulation 17 of the Regulations, the Board of Directors during the Financial Year 2019-20 evaluated the performance of Independent Directors in terms of criteria of performance evaluation as laid down by Nomination and Remuneration Committee which covers the area relevant to their role as Independent Director in the Company, including but not limited to:

(a) Performance of the Directors; and

(b) Fulfillment of the independence criteria as specified in the regulations and their independence from the management.

In the above evaluation, the director(s) who were subject to evaluation did not participated respectively.

During the Financial Year 2019-20, a separate meeting of the Independent Directors of the Company was held on 30 January, 2020 in terms of Regulation 25 of the Regulations.

The Independent Directors in their separate meeting:

i. reviewed the performance of Non-Independent Directors and the Board as a whole;

ii. reviewed the performance of the Chairperson of the Company, taking into account the views of Executive Directors and Non-Executive Directors;

iii. assessed the quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

VIII. Remuneration of Directors for 2019-20

Table-7

(₹ In lacs)

Name of Members	Sitting Fees#		Salaries and Perquisites		Total
	Board Meetings	Committee Meetings			
NON-EXECUTIVE DIRECTORS					
Dr. Sanjeev Kumar	0.20	0.25	NIL		0.45
Mr. P.K. Mittal	0.30	0.30	NIL		0.60
Mr. Rajiv Chandra Rastogi	0.50	0.60	NIL		1.10
Ms. Seethalakshmi Venkataraman	0.50	0.10	NIL		0.60
Mr. Sameer Kanwar@	0.00	0.00	NIL		0.00
Mr. Naresh Kumar Verma@@	0.10	0.00	NIL		0.10
			Sub-Total (A)		2.85
EXECUTIVE DIRECTORS					
Mr. Surinder Paul Kanwar Chairman and Managing Director			• Salary	0.00	
			• Contribution to provident and other funds (*)	-	
			• Monetary value of perquisites (**)	-	##0.00
Mr. Sachit Kanwar Joint Managing Director ($)			• Salary and allowances	62.50	
			• Contribution to provident and other funds (*)	4.16	
			• Monetary Value of perquisites (**)	11.49	78.15
			Sub-Total (B)		78.15
			Grand Total		81.00

GST as applicable paid directly by the Company.

*Excludes provision for gratuity which is determined on the basis of actuarial valuation done on an overall basis for the Company.

**Excludes provision for compensated absences which is made based on the actuarial valuation done on an overall basis for the Company.

@Appointed w.e.f. 13 November, 2019.

@@Appointed w.e.f. 04 December, 2019.

Token remuneration of ₹ 1.00 per month.

There is no notice period or severance fee in respect of appointment of any of the above Managerial Personnel. Neither Mr. Surinder Paul Kanwar nor Mr. Sachit Kanwar is entitled for any performance linked incentives and the Company does not have any Stock Option Scheme.

The Company has paid remuneration to the Non-Executive Directors by way of sitting fees at the rate of ₹ 10,000/- (Rupees Ten Thousand Only) for attending each meeting of the Board and Audit Committee and ₹ 5,000/- (Rupees Five Thousand Only) for other Committees of the Board of Directors of the Company.

$The remuneration payable to Mr. Sachit Kanwar, Joint Managing Director is subject to the approval of the shareholders by special resolution in general meeting, if the aggregate remuneration payable to him exceeds 5% of the net profits of the Company calculated as per Section 198 of the Companies Act, 2013 and fresh approval of the shareholders is sought at the beginning of each tenure of their appointment. With effect from 01 June, 2019, 50 (Fifty) percent of the total remuneration to Mr. Sachit Kanwar, Joint Managing Director is being paid by Xlerate Driveline India Limited, wholly owned subsidiary Company.

C. Stakeholders' Relationship Committee

I. Constitution and Composition

In terms of the provisions of the Companies Act, 2013 and Regulation 20 of the Regulations, the "Stakeholders' Relationship Committee" constitutes of following 3(Three) Directors as members. The **Table-8** gives the composition of the Stakeholders' Relationship Committee and the attendance record of Members of the Stakeholders' Relationship Committee:

Table-8

S.No.	Name of Member	Designation	No. of meetings Held/ Attended
1.	Mr. P.K. Mittal	Chairman	1/0
2.	Mr. Surinder Paul Kanwar	Member	1/1
3.	Mr. Sachit Kanwar	Member	1/1

Mr. P.K. Mittal is Non-Executive Independent Director, Mr. Surinder Paul Kanwar is the Chairman and Managing Director and Mr. Sachit Kanwar is the Joint Managing Director of the Company.

II. Role of Stakeholders' Relationship Committee

The role of the Stakeholders' Relationship Committee in terms of the Regulations includes the following:

1. Resolving the grievances of the security holders of the Company including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.
2. Review of measures taken for effective exercise of voting rights by shareholders.
3. Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar and Share Transfer Agent.
4. Review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/ statutory notices by the shareholders of the Company.

II. Stakeholder's Relationship Committee Meetings

In terms of Regulation 20 of the Regulations, at least 1(One) meeting of the Stakeholders' Relationship Committee is held in each Financial Year.

During the Financial Year 2019-20, 1 (One) meeting of the Stakeholders' Relationship Committee was held. **Table-9** gives the details of the date and purpose of the meeting of Stakeholders' Relationship Committee:-

Table-9

S.No.	Date of Meeting	Purpose
1.	22 May, 2019	Noting of status of grievances of the Shareholders of the Company including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc. during the Financial Year 2018-19.
		Review of measures taken for effective exercise of voting rights by shareholders.
		Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar and Share Transfer Agent i.e. Link Intime India Private Limited.
		Review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/ statutory notices by the shareholders of the Company.

The Chairman of the Stakeholders' Relationship Committee was present at the last Annual General Meeting and replied to the queries of the shareholders to their satisfaction.

III. Sub-Committee

In order to have speedy disposal of the Shareholders'/ Investors' requests for transfers and transmissions, a Sub-Committee consisting of the following Directors/Officers of the Company is in place for effecting transfer/transmission/split/consolidation of shares.

The Sub-Committee has also been empowered to approve the issue of Duplicate Share Certificates representing upto 500 Equity shares of the Company in lieu of those which are reported to be lost/misplaced by the shareholders upon the execution of the requisite Indemnity and other related documents.

a. Mr. Surinder Paul Kanwar, Chairman and Managing Director

b. Mr. Sachit Kanwar, Joint Managing Director

c. Mr. Sukhvir, Company Secretary*

d. Mr. Sachin Kumar Mittal, Chief Financial Officer**

e. Ms. Vartika Malhotra, Company Secretary***

*Resigned w.e.f. 06 September, 2019.

** Resigned w.e.f. 30 September, 2019.

*** Appointed w.e.f. 13 November, 2019.

Any two of the above are authorised to consider and approve the transfer/transmission/split/consolidation of shares and to approve the issue of Duplicate Share Certificate(s) representing upto 500 Equity Shares of the Company.

The Sub-Committee is attending to above said formalities at least once in a fortnight.

However, the Securities and Exchange Board of India (SEBI) has prohibited the transfer of shares in physical form w.e.f. 01 April, 2019 except in case of transmission or transposition of securities. Therefore, the Sub-Committee addresses and disposes the aforesaid requests other than those prohibited by SEBI.

IV. Status of Investor Complaints/Requests

No. of Complaints received during financial year 2019-20	NIL
No. of Complaints resolved to the satisfaction of stakeholders during financial year 2019-20	Not Applicable

No. of pending requests for share transfers/ transmissions (under permissible mode(s)), dematerialisations and rematerialisations as on 31 March, 2020.

Particulars	No. of Requests	No. of Securities
Transfers and Transmissions (Under Permissible Mode(s))	NIL	NIL
Dematerialisations and Rematerialisations	NIL	NIL

In terms of Regulation 13 of the Regulations, the Company has filed the status of investor complaints at the end of each quarter with BSE Limited (BSE) through BSE Listing Centre duly signed by the Compliance Officer of the Company.

D. Corporate Social Responsibility Committee ("CSR Committee")

I. Constitution and Composition

In terms of the provisions of Section 135 of the Companies Act, 2013, the Corporate Social Responsibility Committee ("CSR Committee") constitutes of following 3 (Three) Directors as members to monitor the Corporate Social Responsibility Policy as approved by the Board, direct initiatives to be undertaken by the Company and recommend the amount of expenditure to be incurred on the activities referred to in the said policy.

A copy of the said policy is available on the official website of the Company i.e. www.raunaqinternational.com.

The **Table-10** gives the composition of the CSR Committee:

Table-10

S. No.	Name of Member	Designation	No. of Meeting Held/ Attended
1.	Mr. Surinder Paul Kanwar	Chairman	1/1
2.	Mr. Sachit Kanwar	Member	1/1
3.	Mr. P.K. Mittal	Member	1/0

Mr. Surinder Paul Kanwar is Chairman and Managing Director, Mr. Sachit Kanwar is Joint Managing Director and Mr. P.K. Mittal is Non-Executive Independent Director of the Company.

II. Role of Corporate Social Responsibility Committee

The role of the Corporate Social Responsibility Committee in terms of the Companies Act, 2013 includes the following:

(a) Formulate and recommend to the Board, a Corporate Social Responsibility Policy (CSR Policy) which shall indicate the activities to be undertaken by the company as specified in Schedule VII of the Companies Act, 2013 (the Act).

(b) Monitor the Corporate Social Responsibility Policy of the Company from time to time.

(c) Recommend the amount of expenditure to be incurred on the activities referred to in clause (a) above.

(d) Institute a transparent monitoring mechanism for implementation of the CSR projects or programs or activities undertaken by the Company.

III. CSR Committee Meetings

During the Financial Year 2019-20, 1 (One) meeting of CSR Committee was held. **Table-11** gives the details of the date and purpose of the meeting of CSR Committee:-

Table-11

S. No.	Name of Member	Designation
1.	22 May, 2019	Consideration and recommendation of spending on Corporate Social Responsibility (CSR) activities in terms of Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility) Rules, 2014

E. Finance Committee

The "Finance Committee" of the Board of Directors of the Company is in existence which has been empowered to take care of the financing and other day to day requirements of the Company. The said Committee is authorised to borrow monies, make loans, issue Shares etc. and matters related or incidental thereto.

The **Table-12** gives the composition of the Finance Committee:

Table-12

S.No.	Name of Member	Designation
1.	Mr. P.K. Mittal	Chairman
2.	Mr. Surinder Paul Kanwar	Member
3.	Mr. Sachit Kanwar	Member
4.	Dr. Sanjeev Kumar	Member

Mr. P.K. Mittal and Dr. Sanjeev Kumar are the Non-Executive Independent Directors, Mr. Surinder Paul Kanwar is Chairman and Managing Director and Mr. Sachit Kanwar is Joint Managing Director of the Company.

During the Financial Year 2019-20, no meeting of Finance Committee was held.

F. Business Strategy Committee

The Business Strategy Committee of the Board of Directors has been constituted to minutely review the operations of the Company. The said Committee is also authorized to form a long term strategy of the Company, review risk and opportunities, SWOT Analysis, advise the Board to take strategic decisions and matters related or incidental thereto.

The **Table-13** gives the composition of the Business Strategy Committee:

Table-13

S.No.	Name of Member	Designation
1.	Dr. Sanjeev Kumar	Chairman
2.	Mr. P.K. Mittal	Member
3.	Mr. Surinder Paul Kanwar	Member
4.	Mr. Sachit Kanwar	Member

Dr. Sanjeev Kumar and Mr. P.K. Mittal are the Non-Executive Independent Directors, Mr. Surinder Paul Kanwar is Chairman and Managing Director and Mr. Sachit Kanwar is Joint Managing Director of the Company.

During the Financial Year 2019-20, no meeting of Business Strategy Committee was held.

Each of these Committees of the Board have requisite expertise to handle the issues relevant to their field and spend considerable time and give focused attention to the various issues placed before it and guidance by these Committees lend immense values and enhances the decision making process of the Board. The Board reviews the functioning of these Committees from time to time. The Meetings of each of the Committee are convened by the respective Chairman, who also informs the Board about the summary of discussion held in the Committee Meetings. The Minutes of the Committee Meetings are sent to all the Directors individually and tabled at the respective Board/Committee Meeting.

5. SUBSIDIARY COMPANIES

Your Company has a 100% wholly owned subsidiary Xlerate Driveline India Limited (XDIL).

In terms of Regulation 16 of the Regulations, XDIL is "Material Unlisted Indian Subsidiary Company" of the Company in the preceding financial year 2018-19.

The Company has complied with the following requirements mandated in Regulation 24 of the Regulations:

1. Dr. Sanjeev Kumar and Mr. Rajiv Chandra Rastogi, Non-Executive Independent Directors of the Company are also the Non-Executive Independent Directors on the Board of Xlerate Driveline India Limited (XDIL) as on 31 March, 2020.

2. The Audit Committee periodically reviews the financial statements, in particular, the investments made by Xlerate Driveline India Limited (XDIL), if any.

3. The minutes of the Board Meetings of Xlerate Driveline India Limited (XDIL) are placed before the Board. The management periodically notifies to the Board of all significant transactions and arrangements entered into by Xlerate Driveline India Limited (XDIL).

4. The Company has formulated a policy on material subsidiary(ies) in accordance with the Regulation 16(1)(c) of the Regulations. The said policy has been posted on the official website of the Company i.e. www.raunaqinternational.com under the link: http://www.raunaqinternational.com/pdf/policy_on_material_subsidiaryies.pdf

"Significant Transaction or Arrangement" shall mean any individual transaction or arrangement that exceeds or is likely to exceed 10% of the total revenues or total expenses or total assets or total liabilities, as the case may be, of the unlisted subsidiary for the immediately preceding accounting year.

6. COMPLIANCE OFFICER

Pursuant to resignation of Ms. Sukriti Manna w.e.f. 11 March, 2019, Mr. Sukhvir had been appointed as the Company Secretary and Compliance Officer of the Company w.e.f. 22 May, 2019 and resigned w.e.f. 06 September, 2019.

Subsequently, Ms. Vartika Malhotra has been appointed as the Company Secretary and Compliance Officer of the Company w.e.f. 13 November, 2019.

7. DIRECTORS

Appointment/Re-appointment of Non-Executive Directors

During the financial year 2019-20, the members of the Company, at their Annual General Meeting held on 05 August, 2019 approved:

- Continuation of Ms. Seethalakshmi Venkataraman as a Non-Executive Independent Director of the Company w.e.f. 01 April, 2019 till the end of her current tenure upto the conclusion of the 55th Annual General Meeting (AGM) of the Company in the Calendar Year 2020 in terms of the provisions of Section 149 of the Companies Act, 2013, the age of Ms. Seethalakshmi Venkataraman being more than seventy five years as on 01 April, 2019.
- Appointment of Mr. Rajiv Chandra Rastogi as a Non-Executive Independent Director of the Company for a period of 5 (Five) years upto the conclusion of the 59th Annual General Meeting (AGM) of the Company in the calendar year 2024 in terms of the provisions of Section 149 of the Companies Act, 2013.

The Board of Directors of the Company in its Meeting held on 13 November, 2019 approved:

- Appointment of Mr. Sameer Kanwar as an Additional Director in the capacity of Non-Executive Director till the conclusion of ensuing Annual General Meeting (AGM) of the Company.

Further, the Board of Directors of the Company vide its resolution passed through circulation on 04 December, 2019 approved:

- Appointment of Mr. Naresh Kumar Verma as an Additional Director in the capacity of Non Executive Director till the conclusion of ensuing Annual General Meeting (AGM) of the Company.

In terms of the provisions of Section 149 of the Companies Act, 2013, Dr. Sanjeev Kumar and Ms. Seethalakshmi Venkataraman had been appointed as Non Executive Independent Director at the Annual General Meeting (AGM) of the Company held on 30 July, 2015 for a period of 5 (Five) Years upto the conclusion of the 55th AGM of the Company in the Calendar year 2020.

Therefore, in terms of the provisions of Section 149 of the Companies Act, 2013, it has been proposed to appoint Dr. Sanjeev Kumar and Ms. Seethalakshmi Venkataraman as Non-Executive Independent Director at the ensuing Annual General Meeting (AGM) of the Company for a period of 5 (Five) Years upto the conclusion of the 60th AGM of the Company in the Calendar year 2025 by way of special resolution pursuant to the applicable provisions of the Companies Act, 2013 and the Regulations, in read with Regulation 17 of the Regulations as amended, as the age of Ms. Seethalakshmi Venkataraman being more than seventy five years at the commencement of her proposed tenure.

Further, in terms of Section 152 of the Companies Act, 2013, it has been proposed to appoint Mr. Sameer Kanwar and Mr. Naresh Kumar Verma as Non-Executive Director at the ensuing Annual General Meeting (AGM) of the Company, liable to retire by rotation.

As required under Regulation 36 of the Regulations, the information or details pertaining to the Director seeking appointment/re-appointment in the ensuing Annual General Meeting have been furnished in the Explanatory Statement to the Notice of the ensuing Annual General Meeting.

8. GENERAL BODY MEETINGS

The last three Annual General Meetings of the Company were held as detailed below:

Annual General Meetings

Table-14

Financial Year	Venue	Date & Time	Special Resolution Passed
2018-19	Faridabad Industries Association, FIA House, Bata Chowk Faridabad - 121001 (Haryana)	05.08.2019 11:30 A.M.	Yes • Continuation of Ms. Seethalakshmi Venkataraman as a Non-Executive Independent Director on the Board of the Company till the end of her current tenure upto 55th Annual General Meeting in the Calendar Year 2020. • Payment of remuneration to Mr. Sachit Kanwar, Joint Managing Director of the Company for a further period of 2 (Two) years w.e.f. 01 June, 2019 for his present tenure. • Sale of equity shares held by the Company in Xlerate Driveline India Limited.
2017-18	Faridabad Industries Association, FIA House, Bata Chowk Faridabad - 121001 (Haryana)	02.08.2018 11:30 A.M.	No
2016-17	ARK Hall Hotel Saffron Kiran, 12/6, NH-2, Further to Sarai Metro Station, Near to Badarpur Toll Plaza, Sarai Khwaja, Faridabad-121003, (Haryana)	08.08.2017 03:00 P.M.	No

Extra- ordinary General Meetings

No Extraordinary General Meeting of the Company was held during the Financial Year ended 31 March, 2020.

Postal Ballot

There are no special resolutions passed during 2019-20 through postal ballot and no special resolution is proposed to be conducted through postal ballot.

9. MEANS OF COMMUNICATION

The Quarterly, Half Yearly and Annual Financial Results during the year were duly furnished to the stock exchange i.e. BSE Limited and the same were published by the Company as under:

Table-15

Financial Results	Name(s) 0f Newspapers	Date(s) of Publication
Quarter/Year ended 31 March, 2019	Financial Express* Jansatta (Hindi)**	23 May, 2019
Quarter ended 30 June, 2019	Financial Express* Jansatta (Hindi)**	06 August, 2019
Quarter/Half Year ended 30 September, 2019	Financial Express* Jansatta (Hindi)**	14 November, 2019
Quarter/Nine Months ended 31 December, 2019	Financial Express* Jansatta (Hindi)**	31 January, 2020

* Financial Express- Mumbai & Delhi Edition

** Jansatta (Hindi)-Delhi Edition

COMPANY WEBSITE

Pursuant to Regulation 46 of the Regulations, the Company's website i.e. www.raunaqinternational.com contains a dedicated functional segment, named 'INVESTORS' where all the information meant for the shareholders is available, including information on Directors, shareholding pattern, quarterly reports, financial results, annual reports, press releases, details of unpaid/unclaimed dividends and various policies of the Company.

BSE CORPORATE COMPLIANCE AND LISTING CENTRE ('LISTING CENTRE')

The Listing Centre of BSE Limited is a web-based application designed for corporate filings. All periodical compliance filings like shareholding pattern, corporate governance report, media releases, among others are filed electronically on the Listing Centre.

Further, any interviews given by Company Executives/Management during the year are also displayed on the Company's official website i.e. www.raunaqinternational.com.

ANNUAL REPORT

The Annual Report containing, inter-alia, the Audited Financial Statements (Standalone and Consolidated), Board's Report, Auditors' Report, the Management Discussion and Analysis (MDA) Report and other important information is circulated to the shareholders and other stakeholders and is also available on the official website of the Company i.e. www.raunaqinternational.com.

REMINDER TO INVESTORS

Periodical reminders for unclaimed shares and unpaid dividends are sent to shareholders as per records of the Company. These details are also uploaded on official website of the Company at www.raunaqinternational.com.

Green Initiative

In support of the "Green Initiative" undertaken by the Ministry of Corporate Affairs (MCA), the Company had sent soft copies of Annual Report for the year 2018-19 to all those shareholders whose e-mail addresses were made available to the depositories or the Registrar and Transfer Agents (RTA). Physical copies were sent to only those shareholders whose e-mail addresses were not available and for the bounced e-mail cases.

Besides the above, no other presentations were made to any institutional investor or to the analysts.

10. GENERAL SHAREHOLDERS' INFORMATION

A. Company Registration Details:

The Company is registered under the Registrar of Companies, NCT of Delhi and Haryana.

The Corporate Identification Number (CIN) allotted to the Company by the Ministry of Corporate Affairs (MCA) is L51909HR1965PLC034315.

B. Annual General Meeting Details:

The forthcoming AGM of the Company shall be held at 12:00 P.M. on Monday, the 31 August, 2020 at Faridabad.

C. Financial Year:

Financial year of the Company commences on 01 April and ends on 31 March. The four Quarters of the Company end on 30 June; 30 September; 31 December and 31 March respectively.

D. Listing on Stock Exchange and Stock Code:

The Shares of the Company are listed on the following Stock Exchange:

BSE Limited [BSE]
[Stock Code 537840]
Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai- 400001

The Annual Listing Fees for the year 2020-21 shall be paid to the BSE Limited.

E. Market Price Data:

High and Low prices during each month of Financial Year 2019-20 on BSE Limited are as under:

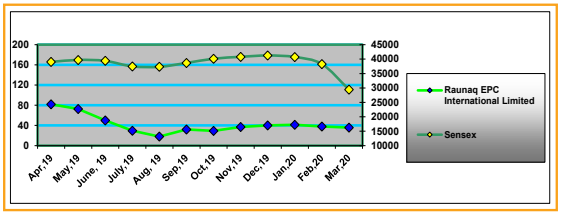
The Closing Price represents the price on the last trading day of each month of Financial Year 2019-20.

Table-16

Month	High (₹)	Low (₹)	Closing (₹)
April	84.00	66.10	81.95
May	86.80	66.00	72.80
June	78.00	49.90	49.90
July	49.90	29.60	29.60
August	29.60	18.00	18.00
September	34.15	17.15	31.95
October	33.20	28.90	29.25
November	37.00	28.75	36.95
December	42.00	35.10	40.00
January	42.00	37.95	41.50
February	41.45	38.00	38.00
March	39.00	34.30	35.95

The graphical presentation of movement of closing prices of the Company on BSE during the year is as under:

RAUNAQ EPC INTERNATIONAL LIMITED PRICES VERSUS SENSITIVITY AT BSE



F. Registrar and Transfer Agent:

Link Intime India Private Limited is the Registrar and Transfer agent for handling both the share registry work relating to shares held in physical and electronic form at single point. The Share Transfers were duly registered and returned in the normal course within stipulated period, if the documents were clear in all respects.

The Shareholders are therefore advised to send all their correspondences directly to the Registrar and Transfer Agent of the Company at the below mentioned address:

Link Intime India Private Limited
Noble Heights, 1st Floor, NH-2,
C1 Block LSC, Near Savitri Market,
Janakpuri, New Delhi-110058
Ph: 011-41410592-94
Fax: 011-41410591
E-mail: delhi@linkintime.co.in

However, for the convenience of Shareholders, correspondences relating to Shares received by the Company are forwarded to the Registrar and Transfer Agent for action thereon.

In terms of Regulation 7 of the Regulations, the Company has filed a compliance certificate with BSE Limited (BSE) through BSE Listing Centre duly signed by Compliance Officer of the Company and the authorized representative of Registrar and

Transfer Agent of the Company of the Company certifying that all activities in relation to both physical and electronic share transfer facility are maintained by the Registrar & Transfer Agent of the Company.

G. Share Transfer System:

The Securities and Exchange Board of India (SEBI) has prohibited the transfer of shares in physical form w.e.f. 01 April, 2019 except in case of transmission or transposition of securities.

The requests for the transfers of Shares under the aforesaid permissible mode(s) are accepted for registration at the Registered Office of the Company in addition to the office of Registrar and Transfer Agent (RTA), Link Intime India Private Limited. Link Intime India Private Limited is fully equipped to undertake the activities of Share Transfers and redressal of Shareholders grievances.

In order to have speedy disposal of the Shareholders'/ Investors' requests for transfers and transmissions, a Sub-Committee consisting of the following Directors/ Officers of the Company is in place for effecting transfer/transmission/split/consolidation of shares.

a. Mr. Surinder Paul Kanwar, Chairman and Managing Director

b. Mr. Sachit Kanwar, Joint Managing Director

c. Mr. Sukhvir, Company Secretary*

d. Mr. Sachin Kumar Mittal, Chief Financial Officer**

e. Ms. Vartika Malhotra, Company Secretary***

*Resigned w.e.f. 06 September, 2019.

** Resigned w.e.f. 30 September, 2019.

*** Appointed w.e.f. 13 November, 2019.

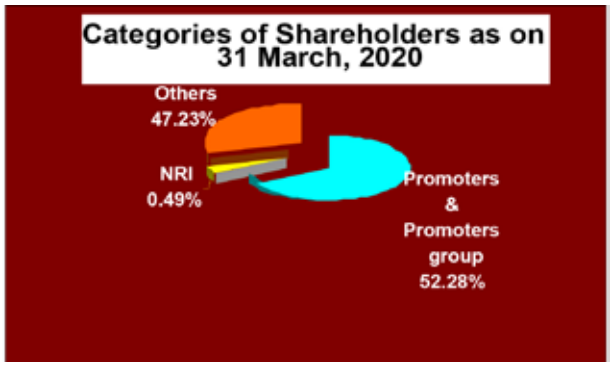
Any two of the above are authorised to consider and approve the transfer/transmission/split/consolidation of shares. The Sub-Committee is attending to above said formalities at least once in a fortnight.

After approval of the Sub-Committee, the Share Transfers are affected by the Registrar and Transfer Agent of the Company.

The Sub-Committee addresses and disposes the aforesaid requests other than those prohibited by SEBI.

As per the requirements of Regulation 40(9) of the Regulations, the Company has obtained the Half Yearly Compliance Certificate from a Company Secretary in Practice for due compliance of Share Transfer formalities and same has been filed with BSE Limited(BSE) through BSE Listing Centre.

H. Shareholding pattern of the Company as per category of shareholders as on 31 March, 2020



* Non Promoters Holdings are Negligible

Table-17

	Category			No. of Shares Held	%age of Share holding
A.	**Promoters' holding**				
	1.	Promoters			
	-	Indian Promoters		1747955	52.28
	-	Foreign Promoters		-	-
	2.	Persons acting in Concert		-	-
B.	**Non-Promoters' Holding**				
	3.	Institutional Investors			
		a.	Mutual Funds and Unit Trust of India	-	-
		b.	Banks, Financial Institutions, Insurance Companies (Central/State Govt. Institutions/Non-Govt. Institutions)	130	0.00
		c.	Foreign Institutional Investor	-	-
	4.	Others			
		a.	Private Corporate Bodies	296683	8.87
		b.	Indian Public	1232380	36.86
		c.	Non Resident Indians/ Overseas	16391	0.50
		d.	NBFCs registered with RBI	2227	0.07
		e.	Any Other	47477	1.42
			Total	**3343243**	**100.00**

I. Distribution of Shareholding as on 31 March, 2020:

Table-19

No. of Equity shares held	Number of Shareholders	Number of Shares	%age to total shares
Up to 500	2681	152853	4.57
501 to 1000	162	121715	3.64
1001 to 2000	72	107370	3.21
2001 to 3000	19	51228	1.53
3001 to 4000	5	17459	0.52
4001 to 5000	15	67144	2.01
5001 to 10000	13	87479	2.62
10001 and above	28	2737995	81.90
Total	**2995**	**3343243**	**100.00**

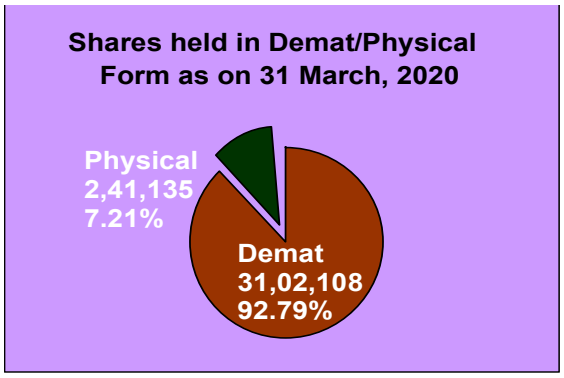
J. Share Dematerialisation System:

The requests for dematerialisation of shares are processed by Registrar and Transfer Agent (RTA) expeditiously and the confirmation in respect of dematerialisation is entered by RTA in the depository system of the respective depositories by way of electronic entries for dematerialisation of shares generally on weekly basis. In case of rejections, the documents are returned under objection to the Depository Participant with a copy to the shareholder and electronic entry for rejection is made by RTA in the Depository System.

In terms of Regulation 74(5) of the SEBI (Depositories and Participants) Regulations 2018, the Company has filed a compliance certificate with BSE Limited (BSE) through BSE Listing Centre and the Depositories concerned duly signed by the authorized representative of Registrar and Transfer Agent of the Company confirming that the securities received from the depository participants for dematerialization were confirmed (accepted/rejected) to the depositories by them and that securities comprised in the said certificates have been listed on the stock exchanges where the earlier issued securities are listed and further confirming that the securities certificates received for dematerialization have been mutilated and cancelled after due verification by the depository participant and the name of the depositories have been substituted in register of members as the registered owner within 15 days.

K. Dematerialization of Shares and Liquidity:

The Company's Equity Shares are compulsory traded on BSE Limited in the dematerialized mode and are available for trading under both the Depository Systems in India i.e. National Securities Depository Limited and Central Depository Services (India) Limited.



As on 31 March, 2020 a total of 31,02,108 equity shares of the Company of ₹ 10/- each, which form 92.79 % of the paid up Equity Share Capital, stand dematerialized.

Table-19

PARTICULARS					
DEMAT				PHYSICAL	
NSDL		CDSL			
No. of shares	%	No. of shares	%	No. of shares	%
2704722	80.90	397386	11.89	241135	7.21

Outstanding ADRs/GDRs/Warrants or any convertible instruments, conversion date and likely impact on equity: Not Applicable

L. Transfer of Unclaimed Shares to Investor Education and Protection Fund:

In terms of the provisions of Section 124(6) of the Companies Act, 2013 read with the Investor Education and Protection Fund (IEPF) Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("the Rules") and further amendments thereto, the Company is required to transfer the equity shares in respect of which dividends have remained unclaimed for a period of seven consecutive years to the IEPF Account established by the Central Government and a statement containing such details are required to be filed with the Ministry of Corporate Affairs (MCA).

In terms of above, pursuant to the transfer of the unclaimed dividend for the year 2011-12 to the IEPF on 23 August, 2019 i.e. upon completion of seven years from transfer of dividend into unclaimed dividend account, 3,366 (Three Thousand Three Hundred Sixty Six) Equity shares relating to such dividend on which the dividend has not been claimed for the consecutive seven years since 2011-12 have been transferred into demat account of IEPF Authority.

Pursuant to the transfer of aforesaid Equity Shares, 47,307 (Forty Seven Thousand Three Hundred Seven) Equity Shares of the Company in aggregate are being held in demat account of IEPF Authority. No such Shareholder whose Equity Shares are held in the demat account of IEPF Authority has approached the Company or IEPF Authority to claim their respective Shares during the Financial Year 2019-20.

Further, upon transfer of the unclaimed dividend for the year 2012-13 to the Investor Education and Protection Fund (IEPF) on 28 August, 2020 i.e. upon completion of seven years from the transfer of dividend into unclaimed dividend account, the equity shares relating to such dividend on which the dividend has not been claimed for the consecutive seven years since 2012-13 (net of the shares already transferred) shall also be transferred into IEPF.

In terms of the Rule 6(3) of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, the necessary communications have been made to the respective shareholders whose shares are required to be transferred to the IEPF during the Financial Year 2020-21 so as to enable them to claim their shares and the dividend attached to such shares before such dividend and shares are transferred to IEPF and further, the necessary information in this regard is available on the official website of the Company i.e. www.raunaqinternational.com for the convenience of the shareholders.

Investor Education and Protection Fund claim Guidelines

With reference to Rule 7 of the Investor Education and Protection Fund (IEPF) Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 as amended, the Investors/Depositors whose unpaid dividends and shares have been transferred to IEPF under the Companies Act, 2013, can claim the amounts and shares from the IEPF authority as per the procedures/guidelines stated below:

a. Download the Form IEPF-5 from the website of the IEPF Authority (http://www.iepf.gov.in) for filing the claim for the refund of dividend/shares. Read the instructions provided on the website/ instruction kit alongwith the e-form carefully before filling the form.

b. After filling the form, save it on your computer and submit the duly filled form by following the instructions given in the upload link on the IEPF website. On successful uploading, an acknowledgement challan will be generated indicating the SRN. Please note down the SRN details for future tracking of the form.

c. Take a print out of the duly filled Form IEPF-5 and the acknowledgement challan issued after uploading the form.

d. Submit an indemnity bond in original, copy of the acknowledgement and self attested copy of e-form IEPF-5 along with other necessary documents as mentioned in the Form IEPF-5 to the Nodal Officer (IEPF) of the Company at its Registered Office in an envelope marked "Claim for refund from IEPF Authority"/ "Claim for shares from IEPF" as the case may be. Kindly note that submission of documents to the Company is necessary to initiate the refund process.

e. Claim form completed in all respects will be verified and submitted online by the Company along with the Verification Report and other necessary documents to the IEPF Authority. Subsequently, on the basis of Company's Verification Report and other documents submitted by the Company with the IEPF Authority, refund will be released by the IEPF Authority in favour of claimants' Aadhar linked bank account through electronic transfer and/ or the shares shall be credited to the demat account of the claimant, as the case may be.

In terms of the Rule 2 of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, the details of Nodal Officer appointed by the Company for the purposes of verification of claims and coordination with Investor Education and Protection Fund Authority (IEPF Authority) as communicated to the IEPF Authority are as follows:

Ms. Vartika Malhotra
Company Secretary and Compliance Officer
Raunaq EPC International Limited
20 K.M. Mathura Road
P.O. Amar Nagar, Faridabad – 121003
Phone: 0129-4288888
Fax No. 0129-4288822-23
Email: secretarial@raunaqintl.com.

Further, the necessary details of Nodal Officer are available on the official website of the Company i.e. www.raunaqinternational.com.

As per Part F of Schedule V of the Regulations, there are no unclaimed shares in the Company.

M. Corporate Benefits

Dividend History:

Dividend on Equity Shares

Table-20

Financial Year	Rate (%)	Amount (₹ in Lacs)
2019-20	**NIL**	**NIL**
2018-19	NIL	NIL
2017-18	NIL	NIL
2016-17	NIL	NIL
2015-16	12	40.12

N. Office locations:

The Company's Registered Office is located at 20 K.M. Mathura Road, P.O. Amar Nagar, Faridabad–121003, Haryana.

O. Addresses for Correspondence:

For Share transfer/demat/remat of shares or any other query relating to shares:

Link Intime India Private Limited, Noble Heights, 1st Floor, Plot No. NH-2, C1 Block LSC, Near Savitri Market, Janakpuri, New Delhi-110058, Phone No. 011-41410592-94, Fax: 011-41410591.
Email: delhi@linkintime.co.in.

For Investor Assistance:

Ms. Vartika Malhotra, Company Secretary and Compliance Officer, Raunaq EPC International Limited, 20 K.M. Mathura Road, P.O. Amar Nagar, Faridabad–121003, Phone: 0129-4288888, Fax No. 0129-4288822-23.
Email: secretarial@raunaqintl.com.

P. Credit Ratings:

The details of the Credit Ratings assigned to the Company for its Bank Loan Facilities by various rating agency(ies) as on 31 March, 2020 and changes thereof during the Financial Year 2019-20 are as per following details:

Table-21

Instrument Description	Rating Agency(ies)	Rating Assigned as on 31 March, 2020	Changes in Rating during the Financial Year 2019-20*
Fund Based Bank Loan Facilities – Long Term	Brickwork Ratings	BB – Stable	Nil*
Non-Fund Based Bank Loan Facilities – Long Term			

* Downgraded to B+ Stable on 04 May, 2020.

11. OTHER DISCLOSURES

A. Related Party Transactions:

During the year 2019-20, there were no material individual transactions with related parties which are not in the normal course of business or are not on arm's length basis in terms of Regulation 23 of the Regulations. The statements in summary form of transactions with Related Parties in the ordinary course of business are placed periodically before the Audit Committee for its consideration and approval. All disclosures related to financial and commercial transactions where Directors are interested are provided to the Board and the interested Directors neither participated in the discussion nor did they vote on such matters. The details of the Related Party Transactions during the year are given in the Notes forming part of financial statements.

Further, the Company has formulated a policy on materiality of Related Party Transactions in accordance with the Regulation 23 of the Regulations and the same is available on the official website of the Company i.e. www.raunaqinternational.com under the link http://www.raunaqinternational.com/pdf/related_party_transactions_policy.pdf

In terms of Regulation 23(9) of the Regulations, the Company has filed the disclosures of related party transactions on a consolidated basis with BSE Limited (BSE) through BSE Listing Centre on a half yearly basis.

B. Disclosure of Accounting Treatment in preparation of Financial Statements:

Raunaq EPC International Limited has followed the guidelines of Accounting Standards as mandated by the Central Government in preparation of its financial statements.

C. Risk Management Framework:

In pursuance to the Companies Act, 2013 and Regulation 17(9) of the Regulations, the Company has in place mechanisms to inform Board Members about the risk assessment and minimization procedures and periodical review to ensure that executive management controls risk by means of a properly defined framework.

A detailed note on Risk Management is given in the Management Discussion and Analysis section forming part of the Board's Report

D. Management:

Management Discussion and Analysis forms part of the Annual Report to the Shareholders for the Financial Year 2019-20.

E. Compliance by the Company:

There were no instances of any non–compliance by the Company nor any penalties, strictures imposed on the Company by Stock Exchange or SEBI or any other Statutory Authority on any matter related to the Capital Markets, during the last three years.

F. Whistle Blower Policy/Vigil Mechanism:

The Whistle Blower policy/Vigil Mechanism of the Company has been formulated as per Regulation 22 of the Regulations and Section 177 of the Companies Act, 2013. The policy provides a channel to the employees, Directors and any other person who avail such mechanism to report to the management concerns about unethical behavior, actual or suspected fraud or violation of the Codes of conduct or policy. The mechanism of policy provides for adequate safeguards against

victimization of employees, Directors and any other person who avails such mechanism and also provide for direct access to the Chairman of the Audit Committee in exceptional cases. The said policy has been communicated to all the personnel of the Company and is available on the official website of the Company i.e. www.raunaqinternational.com. Protected disclosure can be made by the whistle blower in a closed and secured envelope or sent through e-mail to the Compliance Officer.

During the year, no compliant has been received and no unethical behavior has been reported. Further, the Company has not denied any personnel access to the Audit Committee and it will provide protection to Whistle Blower, if any, from adverse personnel action.

Further, the Audit Committee, in its meeting held on 30 January, 2020 reviewed the functioning of the Whistle Blower Mechanism/Vigil Mechanism existing in the Company and found the same satisfactory and recommended few changes in the Whistle Blower Policy to the Board which had been approved by the Board in their meeting on the even date.

G. Policy on Preservation of Documents/ Archival Policy on Website Disclosure:

The Policy on Preservation of Documents/Archival Policy on Website Disclosure in accordance with the Regulation 9 and Regulation 30(8) of the Regulations respectively is in existence which provides the framework for preservation of documents and records of the Company for a specified period and the records of the Company which are no longer needed or are of no value are discarded after following the due process for discarding the same. This Policy aids the employees of the Company in understanding their obligations in retaining and preserving the documents and records which are required to be maintained as per the applicable statutory and regulatory requirements. The said policy is available on the official website of the Company i.e. www.raunaqinternational.com.

H. Policy on criteria for Determining Materiality of Events:

The Policy on criteria for Determining Materiality of Events has been framed in accordance with Regulation 30 of the Regulations which defines the criteria for determining the materiality of events or information related to the Company, provides that such information should be adequately disseminated in pursuance with the Regulations and further provides for the overall governance framework for such determination of materiality. The said policy is available on the official website of the Company i.e. www.raunaqinternational.com.

I. CEO/CFO certification:

Certificate from Mr. Rajan Malhotra, Chief Executive Officer and Mr. Himanshu Goyal, Chief Financial Officer in terms of Regulation 17(8) of the Regulations for the Financial Year ended 31 March, 2020 was placed before the Board of Directors of the Company in its meeting held on 30 June, 2020.

J. Code of Conduct and Corporate Ethics:

Code of Business Conduct and Ethics

Raunaq EPC International Limited believes that Good Corporate Governance is the key to the Conduct of Company's Business in a transparent, reliable and vibrant manner. It is of paramount importance for any Company to create an atmosphere of faith, integrity, accountability, responsibility and financial stability by adhering to commitment, ethical business conduct, a high degree of transparency thereby unlocking the individual intellectual capabilities and enabling its Board of Directors to conduct its duties under a moral authority, which ultimately leads to enhance legitimate needs and value of the stake holders. A copy of this code formulated in terms of Regulation 17 of the Regulations has been posted at Company's official website i.e. www.raunaqinternational.com.

Code of Conduct for Prevention of Insider Trading

The Company has a comprehensive Code of Conduct for its Management, Staff and Directors for prevention of Insider Trading in compliance with the SEBI (Prohibition of Insider Trading) Regulations, 2015. The code lays down the guidelines and procedures to be followed and disclosures to be made while dealing with the Shares of the Company and cautioning them on the consequences of non–compliances. The pieces of the price sensitive information are disseminated to the Stock Exchange timely, adequately and promptly on continuous basis for prevention of Insider Trading. The Company Secretary has been appointed as Compliance Officer and is responsible for adherence to Code for prevention of Insider Trading. A copy of same has been posted at the official website of the Company i.e. www.raunaqinternational.com.

Further, in terms of provisions of the SEBI (Prohibition of Insider Trading) Regulations, 2015, the Company has put in place adequate and effective system of internal controls to ensure compliance with the requirements as stipulated in the said regulations. During the year under review, the Audit Committee, in its meeting held on 30 January, 2020 reviewed the same and verified that the systems for internal control for prevention of Insider Trading are adequate and are operating effectively.

K. Legal Compliance Reporting:

The Board of Directors reviews in detail, on a quarterly basis, the reports of compliance to all applicable laws and regulations in terms of Regulation 17 of the Regulations. The Company has developed a very comprehensive Legal compliance manual, which drills down from the Senior Management Personnel to the executive-level person (who is primarily responsible for compliance) within the Company. Any non-compliance is seriously taken up by the Board, with fixation of accountability and reporting of steps taken for rectification of non-compliance.

L. Disclosures in relation to Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

Pursuant to Section 21 of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 read with Rule 14 of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Rules, 2013, the Company has constituted Internal Complaints Committee (ICC) where any grievance of sexual harassment at workplace can be reported.

The Company has also adopted a policy on Prevention of Sexual Harassment at workplace. The objective of the policy is to provide its women employees, a workplace free from harassment/ discrimination and every employee is treated with dignity and respect. The said policy is available on the official website of the Company i.e. http://www.raunaqinternational.com under the link http://www.raunaqinternational.com/pdf/prevention_of_sexual_harassment.pdf

During the Financial Year 2019-20, ICC of the Company has not received any complaint pertaining to sexual harassment of women at workplace.

Status of Complaints as on 31 March, 2020:

Table-22

No. of Complaints filed during Financial Year 2019-20	NIL
No. of Complaints disposed of during Financial Year 2019-20	NOT APPLICABLE
No. of Complaints pending as on 31 March, 2020	NOT APPLICABLE

M. Certificate of Non-disqualification of Directors:

Certificate from a Company Secretary in practice to the effect that none of the directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of Companies by SEBI/Ministry of Corporate Affairs or any such Statutory Authority is annexed to this report.

N. Fees paid to Statutory Auditor:

The details of fees paid by the Company to the Statutory Auditors of the Company and all entities in the network firm/network entity of which the statutory auditors are a part for the Financial Year 2019-20 are as follows:

Table-23

Fees paid to Statutory Auditor **₹ lacs**

Particulars	For the Year Ended 31 March, 2020
Statutory Audit Fee	2.50
Limited Review and other certifications	1.91
Reimbursement	0.09
Total	**4.50**

Fees paid to Network firm/network entity

₹ lacs

Particulars	For the Year Ended 31 March, 2020
NIL	NIL

O. Mandatory Requirements:

The Company has complied with all the mandatory requirements of Regulation 17 to 27 and Clause (b) to (i) of sub-regulation (2) of Regulation 46 of the Regulations. Details of compliances are given below:

I. Disclosure on website in terms of Listing Regulations	Compliance status (Yes/No/NA)
Item	
Details of business	Yes
Terms and conditions of appointment of Independent Directors	Yes
Composition of various Committees of Board of Directors	Yes
Code of conduct of Board of Directors and Senior Management Personnel	Yes
Details of establishment of vigil mechanism/ Whistle Blower policy	Yes
Criteria of making payments to Non-Executive Directors	Yes
Policy on dealing with Related Party Transactions	Yes
Policy for determining 'Material' subsidiaries	Yes
Details of familiarization programmes imparted to Independent Directors	Yes
Contact information of the designated officials of the Company who are responsible for assisting and handling investor grievances	Yes
Email address for grievance redressal and other relevant details	Yes
Financial results	Yes
Shareholding pattern	Yes
Details of agreements entered into with the media companies and/or their associates	NA
Schedule of analyst or institutional investor meet and presentations made by the listed entity to analysts or institutional investors simultaneously with submission to stock exchange	NA
New name and the old name of the Company	NA
Advertisements as per regulation 47 (1)	Yes
Credit rating or revision in credit rating obtained	Yes
Separate audited financial statements of each subsidiary of the listed entity in respect of a relevant financial year	Yes
Whether company has provided information under separate section on its website as per Regulation 46(2)	Yes
Materiality Policy as per Regulation 30	Yes
Dividend Distribution policy as per Regulation 43A (as applicable)	NA
It is certified that these contents on the website of the listed entity are correct	Yes

II. Annual Affirmations		
Particulars	Regulation Number	Compliance status (Yes/No/NA)
Independent Director(s) have been appointed in terms of specified criteria of 'independence' and/or 'eligibility'	16(1)(b) & 25(6)	Yes
Board composition	17(1)17(1A) & 17(1B)	Yes
Meeting of Board of Directors	17(2)	Yes
Quorum of Board meeting	17(2A)	Yes
Review of Compliance Reports	17(3)	Yes
Plans for orderly succession for appointments	17(4)	Yes
Code of Conduct	17(5)	Yes
Fees/compensation	17(6)	Yes
Minimum Information	17(7)	Yes
Compliance Certificate	17(8)	Yes
Risk Assessment & Management	17(9)	Yes
Performance Evaluation of Independent Directors	17(10)	Yes
Recommendation of Board	17(11)	Yes
Maximum number of Directorships	17A	Yes
Composition of Audit Committee	18(1)	Yes
Meeting of Audit Committee	18(2)	Yes
Composition of Nomination & Remuneration Committee	19(1) & (2)	Yes
Quorum of Nomination and Remuneration Committee meeting	19(2A)	Yes
Meeting of Nomination and Remuneration Committee	19(3A)	Yes
Composition of Stakeholders' Relationship Committee	20(1),(2) & 20(2A)	NA
Meeting of Stakeholders' Relationship Committee	20(3A)	Yes
Composition and role of Risk Management Committee	21(1),(2),(3),(4)	NA
Meeting of Risk Management Committee	21(3A)	NA
Vigil Mechanism	22	Yes
Policy for Related Party Transaction	23(1) (1A),(5),(6),(7) & (8)	Yes
Prior or Omnibus approval of Audit Committee for all Related Party Transactions	23(2),(3)	Yes
Approval for material Related Party Transactions	23(4)	NA
Disclosure of related party transactions on consolidated basis 23(9)	23(9)	Yes
Composition of Board of Directors of unlisted Material Subsidiary	24(1)	Yes

Other Corporate Governance requirements with respect to subsidiary of Company	24(2),(3),(4),(5) & (6)	NA
Annual Secretarial Compliance Report	24(A)	Yes
Alternate Director to Independent Director	25(1)	NA
Maximum Tenure	25(2)	Yes
Meeting of Independent Directors	25(3) & (4)	Yes
Familiarization of Independent Directors	25(7)	Yes
Declaration from Independent Director	25(8) & (9)	Yes
D & O Insurance for Independent Directors	25(10)	NA
Memberships in Committees	26(1)	Yes
Affirmation with compliance to Code of Conduct from members of Board of Directors and Senior Management Personnel	26(3)	Yes
Disclosure of Shareholding by Non-Executive Directors	26(4)	Yes
Policy with respect to Obligations of Directors and Senior Management	26(2) & 26(5)	Yes

P. Non-Mandatory Requirements:

The Company has set up a Finance Committee and Business Strategy Committee, details whereof are given in the Board Committee section of this report.

Q. Investor Relations:

The growing requirements of disclosure, transparency and corporate governance have made it imperative for Companies to manage information flow and communicate more effectively with shareholders. Investor Relations at REIL aims at seamless two way communication with the Investor Community. It is based on the tenets of transparency, accuracy and timeliness of disclosures. There is a conscious effort towards the effective dissemination of information to the shareholders to communicate the Company's long term vision and goals.

R. E-mail for investors:

The Company has designated secretarial@raunaqintl.com as e-mail address especially for investors' grievances.

SEBI has commenced processing of investor complaints in a centralised web based complaints redressal system i.e. SCORES. The Company has supported SCORES by using it as a platform for communication between SEBI and the Company.

S. Nomination facility:

The Shareholders holding Shares in physical form may, if they so want, send their nominations in prescribed Form SH-13 of the Companies (Share Capital and Debentures) Rules, 2014, to the Company's RTA. The said form can be obtained from the Company's RTA or downloaded from the Company's Website http://www.raunaqinternational.com/pdf/form_sh_13_nomination.pdf.

The Shareholders who wish to change or cancel their nominations, if already made, may send their requests in prescribed Form SH-14 of the Companies (Share Capital and Debentures) Rules 2014, to the Company's RTA which can be obtained from the Company's RTA or downloaded from the Company's Website http://www.raunaqinternational.com/pdf/form_sh_14_variation-or-nomination.pdf. Those holding shares in dematerialized form may contact their respective Depository Participant (DP) to avail the nomination facility or further change in nominations.

T. Updation of Shareholders information:

The Shareholders of the Company are requested to intimate their latest Residential Address along with the details of their Shareholding in "Updation of Shareholder's Information Form"(which can be obtained from the Registered Office of the Company or downloaded from the Company's Website http://www.raunaqinternational.com/pdf/proforma-for-updation-of-shareholders-information.pdf. The duly filled form for Updation of information may either be sent to the Company at its Registered Office or be hand-delivered at the Annual General Meeting of the Company.

On Behalf of the Board of Directors



Surinder Paul Kanwar
Chairman and Managing Director
Dated: 30 June, 2020 **DIN:00033524**

COMPLIANCE CERTIFICATE AS PER REGULATION 17(8) OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

We have reviewed financial statements and the cash flow statement for the year 2019–20 and that to the best of our knowledge and belief:

1) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

2) These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations;

3) No transaction entered into by the Company during the above said period, which is fraudulent, illegal or violative of the Company's Code of Conduct.

Further, we accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial statements and we have disclosed to the Auditors and the Audit Committee, wherever applicable:

1) Deficiencies in the design or operation of internal controls, if any, which came to our notice and the steps we have taken or propose to take to rectify these deficiencies;

2) Significant changes in internal control over financial reporting during the year 2019–20;

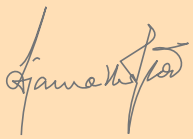
3) Significant changes in accounting policies during the year 2019–20 and that the same have been disclosed in the notes to the financial statements;

4) Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

For Raunaq EPC International Limited



Himanshu Goyal
Chief Financial Officer



Rajan Malhotra
Chief Executive Officer

Dated: 30 June, 2020

COMPLIANCE WITH CODE OF CONDUCT

The Company has adopted "Code of Business Conduct and Ethics" pursuant to the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Regulations"). This code deals with the Good Governance and ethical Practices, which the Company, the Board members and the Senior Management of the Company are expected to follow.

It is hereby affirmed that during the year 2019-20, all the Directors and Senior Managerial personnel have complied with the Code of Conduct and have given a confirmation in this regard.

For Raunaq EPC International Limited



Vartika Malhotra
Company Secretary



Surinder Paul Kanwar
Chairman and Managing Director

Dated: 30 June, 2020

CERTIFICATE ON NON-DISQUALIFICATION OF DIRECTORS

(pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To
The Members,
Raunaq EPC International Limited
20 K.M. Mathura Road, P. O. Amar Nagar,
Faridabad, Haryana - 121003

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Raunaq EPC International Limited having CIN: L51909HR1965PLC034315 and having registered office at 20 K.M. Mathura Road, P. O. Amar Nagar, Faridabad, Haryana - 121003 (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal (www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company for the Financial Year ending on 31 March, 2020 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

Ensuring the eligibility for the appointment/ continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these, based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

CS Nitin Rawat
Partner
AGB & Associates
Membership No.: F9050
CP No.: 10554

Place: Faridabad
Dated: 01 June, 2020
UDIN: F009050B000307612

CERTIFICATE ON CORPORATE GOVERNANCE

To
The Members,
Raunaq EPC International Limited
(CIN: L51909HR1965PLC034315)
20 K.M. Mathura Road, P.O. Amar Nagar
Faridabad – 121003
Haryana

I have examined the compliance of the conditions of Corporate Governance by Raunaq EPC International Limited ('the Company') for the year ended 31 March, 2020, as stipulated in the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the Listing Regulations').

The compliance of the conditions of Corporate Governance is the responsibility of the management. My examination was limited to a review of procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In my opinion and to the best of my information and according to the explanations given to me, and the representations made by the Directors and the management, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in the Listing Regulations during the year ended 31 March, 2020.

I state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For ETIKA AGGARWAL & ASSOCIATES
COMPANY SECRETARIES

(Etika Aggarwal)
Membership No. 42749
CP No.18788
UDIN NO.: A042749B000405837

Place: Delhi
Dated: 30 June, 2020

INDEPENDENT AUDITORS'REPORT

TO THE MEMBERS OF RAUNAQ EPC INTERNATIONAL LIMITED

Report on the audit of the Standalone Financial Statements

We have audited the standalone financial statements of Raunaq EPC International Limited ("the Company"), which comprise the Balance Sheet as at 31 March, 2020, the Statement of Profit and Loss (including Other Comprehensive Income), Statement of changes in equity and the statement of Cash Flows for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March, 2020, and its loss, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Standalone Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act, and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the standalone financial statements.

Emphasis of Matter

We draw your attention to Note 45 to the standalone financial statements which explains the uncertainties and the management's assessment of the financial impact due to the lock-downs and other restrictions and conditions related to the Covid-19 pandemic situation, for which a definitive assessment of the impact in the subsequent period is highly dependent upon circumstances as they evolve. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

S. No	Key Audit Matter	Our response

1.	**Accuracy of recognition, measurement, presentation and disclosures of revenues and other related balances in view of Ind AS 115 "Revenue from Contracts with Customers"**
	The application of the accounting standard involves certain key judgements relating to satisfaction of performance obligations, determination of transaction price of the identified performance obligations, the appropriateness of the basis used to measure revenue recognised over a period.
		Our audit approach consisted review of the design and operating effectiveness of the internal controls and substantive testing as follows:
		• Evaluated the design of internal controls relating to revenue recognition process.
		• Selected a sample of continuing and new contracts, and tested the operating effectiveness of the internal control, relating to satisfaction of performance obligations and determination of transaction price. We carried out a combination of procedures involving enquiry and observation, reperformance and inspection of evidence in respect of operation of these controls.
		• Selected a sample of continuing and new contracts and performed the following procedures:
		  • Read, analysed and identified the timing of satisfaction of performance obligations in these contracts.
		  • Compared these performance obligations with that identified and recorded by the Company.
		  • Considered the terms of the contracts to determine the transaction price used to compute revenue.
		  • Samples in respect of revenue recorded for time and material contracts were tested using a combination of approved time sheets including customer acceptances, and historical trend of collections and disputes.
		  • Performed analytical procedures for reasonableness of revenues disclosed by type and service offerings.

Information Other than the Financial Statements and Auditors' Report thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Annual Report, for example, Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance Report and Shareholder's Information, but does not include the consolidated financial statements, standalone financial statements and our auditors' report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

The other information is expected to be made available to us after the date of this auditors' report. When we read the other information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we excercise professional judgment and maintain professional skepteicism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in:

(i) planning the scope of our audit work and in evaluating the results of our work; and

(ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by section 143(3) of the Act, based on our audit we report that:

   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.

   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

   (c) The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the books of account.

   (d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

   (e) On the basis of written representations received from the directors as on 31 March, 2020 and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2020 from being appointed as a director in terms of section 164(2) of the Act.

   (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in Annexure 'A'.

   (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

   In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

   (h) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:

      i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer Note 38 to the standalone financial statements;

      ii. The Company did not have any long term contracts including any derivative contracts for which there were any material foreseeable losses;

      iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure 'B' a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

For B R Maheswari & Co LLP
Chartered Accountants
Firm's Registration No. 001035N/N500050



Sanjay Nath
Partner
Membership No.082700

Place: New Delhi
Date: 30 June, 2020
UDIN:20082700AAAANK1209

Annexure 'A' to the Independent Auditors' Report

(Referred to in Paragraph 1(f) under the heading "Report on other legal and regulatory requirements" of our report of even date)

Report on the Internal Financial Controls under clause (i) of sub section 3 of section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Raunaq EPC International Limited ("the Company") as of 31 March, 2020 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the standalone financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March, 2020 based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For B R Maheswari & Co LLP
Chartered Accountants
Firm's Registration No. 001035N/N500050



Sanjay Nath
Partner
Membership No.082700

Place: New Delhi
Date: 30 June, 2020
UDIN:20082700AAAANK1209

Annexure 'B' to the Independent Auditors' Report

(Referred to in Paragraph 2 under the heading "Report on other legal and regulatory requirements" of our report of even date)

1) In respect of its fixed assets:
   (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
   (b) As informed, fixed assets have been physically verified by the management in a phased periodical manner which in our opinion is reasonable having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such verification.
   (c) According to the records of the Company, we report that the Company does not own any immovable property whether freehold or leasehold.
2) In respect of its inventories:
   (a) The management has physically verified the inventories. In our opinion, the frequency of verification is reasonable.
   (b) The discrepancies noticed on verification between the physical stocks and the book records were not material and such discrepancies have been properly dealt with in the books of accounts.
3) As informed, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Act for the financial year 2019-2020, and accordingly clauses (a), (b) and (c) of para (iii) of the order are not applicable.
4) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, in respect of loans, investments, guarantees and security.
5) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposit from the public during the year in terms of the provisions of section 73 to 76 of the Act or any other relevant provisions of the Companies Act, 2013 and the rules made thereunder.
6) As informed to us, the maintenance of cost records has not been prescribed by the Central Government under section 148(1) of the Act, in respect of the activities carried on by the Company.
7) (a) According to the information and explanations given to us and the records of the Company examined by us in our opinion, undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, goods and service tax, cess and other statutory dues have generally been regularly deposited with the appropriate authorities though there has been a slight delay in a few cases.
   (b) According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at 31 March, 2020 for a period of more than six months from the date they become payable.
   (c) According to the information and explanation given to us and the records of the Company examined by us, there are no dues of income tax, goods and service tax, customs duty, cess and any other statutory dues which have not been deposited on account of any dispute.
8) Based on the information and explanations given to us, we are of the opinion that the Company has not defaulted in repayment of loans and borrowings to the financial institutions, banks or debenture holders. The Company did not have any outstanding loans and borrowings from government during the year.
9) Based upon the audit procedures performed and the information and explanations given by the management, the Company has not raised moneys by way of initial public offer or further public offer including debt instruments. In our opinion, the term loans have been applied for the purpose for which they were obtained.
10) To the best of our knowledge and belief and according to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year.
11) In our opinion, the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
12) In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the Order are not applicable to the Company.
13) In our opinion, all transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and the details have been disclosed in the standalone financial statements, as required by the applicable accounting standards.
14) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year, therefore reporting under clause 3(xiv) of the Order are not applicable.
15) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, we report that the Company has not entered into any non-cash transaction with directors or persons connected with him.
16) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For B R Maheswari & Co LLP
Chartered Accountants
Firm's Registration No. 001035N/N500050



Sanjay Nath
Partner
Membership No.082700

Place: New Delhi
Date: 30 June, 2020
UDIN:20082700AAAANK1209

STANDALONE BALANCE SHEET

AS AT 31 MARCH, 2020

(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	Note No.	As at 31 March, 2020	As at 31 March, 2019
ASSETS			
Non-Current Assets			
Property, Plant and Equipment	3	455.98	504.49
Intangible Assets	4	3.98	16.80
Financial Assets			
a. Investments	5	783.44	1,987.19
b. Loans and Advances	6	2.53	5.93
c. Trade Receivables	7	227.63	2,299.03
d. Other Financial Assets	8	213.50	252.99
Deferred Tax Assets (Net)	9	-	264.49
Total Non-Current Assets		**1,687.06**	**5,330.92**
Current Assets			
Inventories	10	10.42	43.08
Financial Assets			
a. Trade Receivables	11	2,557.71	2,365.59
b. Cash and Cash Equivalents	12	34.41	149.80
c. Bank Balances other than (b) above	13	232.33	595.59
d. Loans and Advances	14	20.31	12.15
e. Other Financial Assets	15	9.95	14.29
Current Tax Assets	16	134.79	103.25
Other Current Assets	17	422.94	664.04
Total Current Assets		**3,422.86**	**3,947.79**
Total Assets		**5,109.92**	**9,278.71**
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	18	334.32	334.32
Other Equity	19	1,017.32	3,927.91
Total Equity		**1,351.64**	**4,262.23**
Liabilities			
Non-Current Liabilities			
Financial Liabilities			
a. Borrowings	20	466.56	221.36
Provisions	21	42.06	58.54
Deferred Tax Liability (Net)	9	25.01	-
Total Non-Current Liabilities		**533.63**	**279.90**
Current Liabilities			
Financial Liabilities			
a. Borrowings	22	167.13	366.18
b. Trade Payables	23		
Total Outstanding Dues of Micro Enterprises and Small Enterprises		**-**	**-**
Total Outstanding Dues of other than Micro Enterprises and Small Enterprises		1,960.59	3,295.13
c. Other Financial Liabilities	24	344.22	307.31
Other Current Liabilities	25	588.83	600.54
Provisions	26	163.88	167.42
Total Current Liabilities		**3,224.65**	**4,736.58**
Total Liabilities		**3,758.28**	**5,016.48**
Total Equity and Liabilities		**5,109.92**	**9,278.71**
Significant accounting policies and notes to standalone financial statements	1-47		

This is the Balance Sheet referred to in our report of even date.

For B R Maheswari & Co LLP
Chartered Accountants
Firm's Registration No. 001035N/N500050

Sanjay Nath
Partner
Membership No. 082700

Date: 30 June, 2020

For and on behalf of the Board of Directors

Surinder Paul Kanwar
Chairman and Managing Director
(DIN: 00033524)

Sachit Kanwar
Joint Managing Director
(DIN: 02132124)

Sameer Kanwar (DIN: 00033622)
Dr. Sanjeev Kumar (DIN: 00364416)
P.K. Mittal (DIN: 00165315)
Seethalakshmi Venkataraman (DIN: 07156898)
Rajiv Chandra Rastogi (DIN: 00035460)
Naresh Kumar Verma (DIN: 07087356)
Directors

Rajan Malhotra
Chief Executive Officer
(PAN: AAEPM3206C)

Himanshu Goyal
Chief Financial Officer
(PAN: BUCPG9157M)

Vartika Malhotra
Company Secretary
(PAN: CQUPM5658Q)

STANDALONE STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED 31 MARCH, 2020

(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	Note No.	For the Year ended 31 March, 2020	For the Year ended 31 March, 2019
Revenue from operations	27	1,853.13	4,627.58
Other income	28	368.87	577.01
Total revenue/income		**2,222.00**	**5,204.59**
EXPENSES			
a. Cost of material consumed	29	518.72	2,878.75
b. Employee benefits expenses	30	562.72	859.29
c. Finance cost	31	291.70	391.96
d. Depreciation and amortization expenses	32	83.64	80.37
e. Irrecoverable balances written off		687.05	-
f. Allowance for expected credit loss		559.27	14.17
g. Decrease in Fair value of Investment		399.92	-
h. Allowance for Impairment losses		764.80	-
i. Other expenses	33	986.46	1,606.61
Total expenses		**4,854.28**	**5,831.15**
Profit/(Loss) before tax		**(2,632.28)**	**(626.56)**
Income tax expenses			
a. Current tax		-	-
b. Tax expense related to prior period		-	-
Net current tax	35	**-**	**-**
Deferred tax-charge/(credit)	35	289.50	(98.94)
Total tax expense		**289.50**	**(98.94)**
Profit/(Loss) for the year		**(2,921.78)**	**(527.62)**
Other Comprehensive Income			
a. Items that may be reclassified to Profit and Loss			
Income tax effect		-	-
		-	-
b. Items that will not be reclassified to Profit and Loss			
Re-measurement gains/(Losses) on defined benefit plan		11.19	26.38
Income tax effect		-	(6.86)
		11.19	**19.52**
Other Comprehensive Income for the Year (net of tax) (a+b)		**11.19**	**19.52**
Total Comprehensive Income for the year		**(2,910.59)**	**(508.10)**
Earnings per equity share of [nominal value per share ₹ 10/- (31 March, 2019 : ₹ 10/-)]			
Basic earning per share	34	(87.39)	(15.78)
Diluted earning per share	34	(87.39)	(15.78)
Significant accounting policies and notes to standalone financial statements	1-47		

This is the Statement of Profit and Loss referred to in our report of even date.

For and on behalf of the Board of Directors

For B R Maheswari & Co LLP
Chartered Accountants
Firm's Registration No. 001035N/N500050

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(DIN: 00033524)

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Directors

Sanjay Nath
Partner
Membership No. 082700

Date: 30 June, 2020

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Chief Executive Officer
(PAN: AAEPM3206C)

Himanshu Goyal
Chief Financial Officer
(PAN: BUCPG9157M)

Vartika Malhotra
Company Secretary
(PAN: CQUPM5658Q)

STANDALONE STATEMENT OF CASH FLOW

FOR THE YEAR ENDED 31 MARCH, 2020

(All amounts in ₹ Lakhs, unless otherwise stated)

	Particulars	Year ended 31 March, 2020	Year ended 31 March, 2019
A.	**CASH FLOW FROM OPERATING ACTIVITIES:**		
	Profit/(Loss) before tax	(2,632.28)	(626.56)
	Adjustments for:		
	Net (gain)/Loss on fair value of financial assets through Statement of Profit & loss	1,164.72	(6.01)
	Expected credit loss	559.27	14.17
	Depreciation and amortization	83.64	80.37
	Loss on sale of fixed Assets	4.36	7.64
	Interest and other charges	291.70	391.96
	Interest Income	(39.75)	(56.49)
	Profit on sale of asset	(0.06)	(3.18)
	Operating profit before working capital changes	**(568.40)**	**(198.10)**
	Changes in working Capital		
	Adjustments for (increase)/decrease in operating assets:		
	Trade receivables	(713.67)	390.49
	Inventories	32.66	233.44
	Long Term loans & advances	3.40	0.20
	Short term loans & advances	(8.16)	(4.23)
	Non-current trade receivables	2,071.40	128.84
	Other current financial assets	4.34	(0.90)
	Other non current financial assets	39.49	(31.01)
	Other current assets	210.91	(438.54)
	Adjustments for increase/(decrease) in operating liabilities:		
	Trade payables	(1,334.54)	327.39
	provisions	(8.83)	10.15
	Other current liabilities	24.64	(76.73)
	Cash generated from operations	**(246.75)**	**341.00**
	Direct Taxes paid (Net)	-	-
	Net Cash from/(used) in operating activities	**(246.75)**	**341.00**
B.	**CASH FLOW FROM INVESTING ACTIVITIES:**		
	Purchase of fixed assets	(35.70)	(3.35)
	Sale of fixed assets	9.04	17.27
	Interest received	39.75	56.49
	Investment in deposits	361.93	(54.76)
	Net Cash from/(used) in investment activities	**375.02**	**15.65**
C.	**CASH FLOW FROM FINANCING ACTIVITIES:**		
	Proceeds from long term borrowings	270.00	165.00
	Proceeds/(repayments) from short term borrowings	(199.05)	(100.04)
	Repayment of long term borrowings	(22.91)	(24.12)
	Interest and other charges paid	(291.70)	(391.96)
	Dividend including dividend distribution Tax paid	(1.34)	(1.63)
	Net Cash from/(used) in financing activities	**(245.00)**	**(352.75)**
	Net increase/(decrease) in cash and cash equivalents	(116.73)	3.90
	Opening balance of Cash and cash equivalents *	159.44	155.54
	Closing balance of Cash and cash equivalents *	42.71	159.44

STANDALONE STATEMENT OF CASH FLOW

FOR THE YEAR ENDED 31 MARCH, 2020.... CONTD.

Reconciliation of cash and cash equivalents as per the cash flow statements

(All amounts in ₹ Lakhs, unless otherwise stated)

	Particulars	As at 31 March, 2020	As at 31 March, 2019
(a)	Cash and cash equivalents as per above comprise of the following		
	Cash on hand	1.12	0.74
	Balance with scheduled banks:		
	in current accounts	41.59	158.70
	Cash and cash equivalents at the end of the year	**42.71**	**159.44**

(b) The above Cash Flow statement is prepared as per "Indirect method" specified in Ind AS 7 "Statement of Cash Flows".

This is the Statement of Cash Flow referred to in our report of even date.

For B R Maheswari & Co LLP
Chartered Accountants
Firm's Registration No. 001035N/N500050

Sanjay Nath
Partner
Membership No. 082700

Date: 30 June, 2020

Surinder Paul Kanwar
Chairman and Managing Director
(DIN: 00033524)

Rajan Malhotra
Chief Executive Officer
(PAN: AAEPM3206C)

For and on behalf of the Board of Directors

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Naresh Kumar Verma (DIN: 07087356)
Directors

Vartika Malhotra
Company Secretary
(PAN: CQUPM5658Q)

STANDALONE STATEMENT OF CHANGES IN EQUITY

A. Equity Share Capital

(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	Notes	Amount
As at 31 March, 2019	18	334.32
Change in equity share capital		-
As at 31 March, 2020	18	334.32

B. Other Equity

Particulars	Notes	Reserves and Surplus				Total Other Equity
		Capital Reserve	Securities Premium Reserve	General Reserve	Retained Earnings	
Balance at 01 April, 2018		0.67	162.43	1,525.27	2,747.64	4,436.01
Profit for the year		-	-	-	(527.62)	(527.62)
Total comprehensive income for the year	19	**0.67**	**162.43**	**1,525.27**	**2,220.02**	**3,908.39**
Other transactions		**-**	**-**	**-**	**-**	**-**
Remeasurement of defined benefit plans (net of tax)		-	-	-	19.52	19.52
Balance at 31 March, 2019	19	**0.67**	**162.43**	**1,525.27**	**2,239.54**	**3,927.91**
Balance at 01 April, 2019		0.67	162.43	1,525.27	2,220.02	3,908.39
Profit for the year		-	-	-	(2,921.78)	(2,921.78)
Total comprehensive income for the year	19	**0.67**	**162.43**	**1,525.27**	**(701.76)**	**986.61**
Other transactions		-	-	-	19.52	19.52
Remeasurement of defined benefit plans (net of tax)		-	-	-	11.19	11.19
Balance at 31 March, 2020	19	**0.67**	**162.43**	**1,525.27**	**(671.05)**	**1,017.32**

This is the Statement of Changes in Equity referred to in our report of even date.

For and on behalf of the Board of Directors

For B R Maheswari & Co LLP
Chartered Accountants
Firm's Registration No. 001035N/N500050

Surinder Paul Kanwar
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Himanshu Goyal
Chief Financial Officer
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Vartika Malhotra
Company Secretary
(PAN: CQUPM5658Q)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note	Particulars

1. COMPANY OVERVIEW

Raunaq EPC International Limited ('the Company') is engaged in Engineering Contracting Business, established in 1965 and primarily in the service of core infrastructural and industrial sectors in India, namely Power, Chemical, Hydro-carbon, Metal and Automobile sectors. The Company is a Limited Company and has its Registered Office in Haryana, India. Its shares are listed on the BSE Limited. The Company has sufficient in-house resources in terms of Engineering Manpower, Tools & Plants, and Technical know-how.

These Standalone financial statements are approved and adopted by the Board of Directors of the Company in their meeting held on 30 June, 2020.

2. SIGNIFICANT ACCOUNTING POLICIES

This Note provides a list of the significant accounting policies adopted in the preparation of these standalone financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

a. STATEMENT OF COMPLIANCE

The Standalone financial statements of the Company have been prepared in compliance with Indian Accounting Standards (Ind AS) as prescribed under Section 133 of the Companies Act, 2013 (the Act) read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 (as amended) and other relevant provisions of the Act.

b. These financial statements have been prepared on a historical cost basis except for the following:-

- Certain Financial Assets and liabilities measured at fair value.
- Defined benefit plans - Plan assets measured at fair value.

2.2 FUNCTIONAL AND PRESENTATION CURRENCY

These financial statements are presented in Indian Rupees (INR) which is also the Company's functional currency and all amount are rounded to the nearest lakhs and two decimals thereof, except as stated otherwise.

2.3 USE OF ESTIMATES

The preparation of financial statements in accordance with Ind AS requires management to make judgement, estimates and assumptions that affect the application of accounting policies and the reported account of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to the accounting estimates are recognized in the period in which the estimates are known or materialized.

2.4 REVENUE RECOGNITION

a. REVENUE FROM CONSTRUCTION CONTRACT

Company is providing EPC services to its customer under the fixed price contract. Contract Revenue is recognized in the year in which the services are rendered. In fixed price contract, revenue is recognised based on actual service provided to the end of the reporting period as a proportion of the total services to be provided. This is determined based on the actual work done approved by the customer.

Estimates of revenue, costs or extent of progress towards completion are revised if circumstances change. Any resulting increase or decrease in estimated revenue or costs are reflected in profit or loss in the period in which the circumstances that give rise to the revision become known to the management.

When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognized only to the extent of contract costs incurred that are likely to be recoverable.

Variations in contract work, claims and incentive payments are included in contract revenue to the extent that may have been agreed with the customer and are capable of being reliably measured and received from customer.

Note	Particulars

b. OTHERS ITEMS OF REVENUE

Interest income is recognised on a time proportion basis taking into account the amount outstanding and the effective interest rate method.

Dividend income is recognised when the Company's right to receive the payment is established.

Other items like extra items claim, insurance claims, any receipts on account of pending income tax, sales tax, GST and excise duty assessments, where quantum of accruals cannot be ascertained with reasonable certainty, are recognized as income only when revenue is virtually certain which generally coincides with receipts.

2.5 PROPERTY, PLANT AND EQUIPMENT

Property, Plant and Equipment assets are carried at cost net of tax/duty credit availed less accumulated depreciation and accumulated impairment losses, if any. Cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance are charged to the Statement of Profit and Loss during the reporting period in which they are incurred.

The items of property, plant and euipment which are not yet ready for use are disclosed as Capital Work-in-Progress and are carried at historical cost.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its recoverable amount.

Property, Plant and Equipment are eliminated from the financial statements, either on disposal or when retired from active use.

Gain and losses on disposal or retirement of assets are determined by comparing proceeds with carrying amount. These are recognised in the Statement of Profit and Loss.

Depreciation is calculated using the straight line method to allocate their cost, net of their residual values on the basis of useful life prescribed in Schedule II to the Act, which are also supported.

The residual values are not more than 5% of the original cost of the asset.

The residual values, useful lives and method of depreciation of property, plant and equipment are reviewed at end of each financial year and any changes there-in are considered as change in estimate and accounted prospectively.

2.6 INTANGIBLE ASSETS (OTHER THAN GOODWILL)

Intangible assets (Computer Software) are stated at cost less accumulated amortization and impaired loss, if any. Computer Software for internal use which is primarily acquired is capitalized. Subsequently costs associated with maintaining such software are recognised as expense as incurred. Cost of software includes licenses fees, cost of implementation, system integration services etc. where applicable.

The Company amortises intangible assets (Computer Software) with a finite useful life using the straight line method over a period of (3/5 years).

2.7 IMPAIRMENT OF ASSETS

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing of an asset is required, the Company estimates the asset recoverable amount. An asset's recoverable amount is the higher of an asset or Cash-generating unit (CGU) fair value less cost of disposal and its fair value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Note	Particulars

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of the time value of money and the risks specific to the asset. In determining the fair value less costs of disposal, recent market transactions are taken in account. If no such transactions can be identified, an appropriate valuation model is used. Impaired losses are recognised in statement of profit and loss.

2.8 INVENTORIES

Raw material, stores, work-in-progress and traded goods are stated at the lower of cost and net realisable value. However, these items are considered to be realisable at cost if the finished products in which they will be used, are expected to be sold at or above cost. Cost of inventories comprises all cost of purchase and other cost incurred in bringing them to their present location and condition. The cost, in general, is determined under First In First Out (FIFO) Method.

Contract cost incurred related to future activity of the Contract are recognised as an asset provided it is probable that they will be recovered during the contract price. Such cost represent the amount due from customer and are often classified as contract work-in-progress.

2.9 FOREIGN CURRENCY TRANSACTIONS

Transaction in foreign currencies are initially recorded by the Company at rates prevailing on the date of the transaction. Subsequently monetary items are translated at closing exchange rates of balance sheet date and the resulting exchange difference recognised in Profit and Loss. Difference arising on settlement of monetary items are also recognised in profit or loss.

Non-monetary items that are carried in terms of historical cost in a foreign currency are translated using the exchange rate at the dates of the transaction.

2.10 EARNINGS PER SHARE

Basic earnings per share is calculated by dividing net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. For considering the Company's earnings per share the net profit or loss for the period is taken. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares, if any, that have changed the number of equity shares outstanding, without a corresponding change in resources. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

2.11 BORROWING COSTS

Borrowing cost specifically relating to the acquisition or construction of a qualifying asset that necessarily takes a substantial period of time to get ready for its intended use are capitalized as part of the cost of the asset. All other borrowing costs are charged to revenue in the period in which it is incurred. Borrowing costs consists of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange difference to the extent regarded as an adjustment to the borrowing cost.

Finance costs will normally include:

i) interest expense calculated using the effective interest rate method as described in Ind AS 109,

ii) the unwinding of the effect of discounting provisions.

2.12 PROVISIONS AND CONTINGENT LIABILITIES

Provisions are recognised when the Company has a present legal or constructive obligation as a result of a past event and it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of management's best estimates of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is pre-tax rate that reflects current market assessments of the time value of money and the risk specific to the liability is not considered. However, a disclosure for contingent liabilities is made when there is a possible obligation arising from past event, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources embodying economic benefits will be

Note	Particulars

required to settle or a reliable estimate of the amount cannot be made.

2.13 DIVIDEND

Dividend on equity shares is recorded as a liability on the date of approval by the shareholders and interim dividend is recorded as a liability on the date of declaration by the Company's Board of Directors.

2.14 CASH AND CASH EQUIVALENTS

For the purpose of the Statement of cash flows, cash and cash equivalents consists of cash on hand and at bank, deposits held at call with banks, other short-term highly liquid investment with original maturities of three months or less that are readily convertible to a known amount of cash and which are subject to an insignificant risk of changes in value.

2.15 EMPLOYEE BENEFITS

a. Short term employee benefits are recognised as an expense in the statement of profit and loss of the year in which the related service are rendered.

b. Compensated absence is accounted for using the project unit credit method, on the basis of actuarial valuation carried out by third party actuaries at each Balance Sheet date. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to profit and loss in the period in which they arise.

c. Contribution payable by the Company to the concerned government authorities in respect of provident fund, family pension fund and employee state insurance are defined contribution plans. The contributions are recognised as an expense in the Statement of Profit and Loss during the period in which the employee renders the related service. The Company does not have any further obligation in this respect, beyond such contribution.

d. Certain employees are participated in a defined contribution plan of superannuation. The Company has no further obligation to plan beyond its monthly contribution which are periodically contributed to a trust fund, the corpus of which is invested with the Life Insurance Corporation of India.

e. The cost of providing gratuity, a defined benefit plan is determined using the Projected Unit Credit Method, on the basis of actuarial valuation carried out by third party actuaries at each Balance Sheet date. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to other comprehensive income in the period in which they arise. Other costs are accounted in Statement of profit and loss.

2.16 LEASES

Leases under which the Company assumes substantially all the risks and rewards of ownership are classified as finance leases. When acquired, such assets are capitalized at fair value or present value of the minimum lease payments at the inception of the lease, whichever is lower. Lease payments under operating leases are recognized as an expense on a straight line basis in net profit in the Statement of Profit and Loss over the lease term.

2.17 INCOME TAXES

Income tax expenses comprises current and deferred income tax. Income tax expenses are recognised in the Statement of Profit and Loss except that it relates to items recognised directly in equity, in those case it is recognised in 'Other Comprehensive Income'. Current Income tax for current and prior periods is recognised at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

Deferred income tax assets and liabilities are recognised for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Deferred income tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date and are expected to apply to taxable income in the year in which those temporary differences are expected to be recovered or settled. The effect of changes in tax rates on deferred income tax assets and liabilities is recognised as income or expense in the period that includes the

Note	Particulars

enactment or the substantive enactment date. A deferred income tax asset is recognised to the extent that it is probable that future profit will be available against which the deductible temporary differences and tax losses can be utilized. Deferred income taxes are not provided on the undistributed earnings of subsidiary where it is expected that earnings of the subsidiary will not be distributed in foreseeable future. The Company off sets current tax assets and Current tax liabilities, where it has a legally enforceable right to set off the recognised amounts and where it indents either to settle on a net basis, or to realize the assets and settle the liability simultaneously. The income tax provision of the interim period is made based on the best estimate of the annual average tax rate expected to be applicable for the full financial year.

2.18 FINANCIAL INSTRUMENTS

A financial instrument is any contract that give rise to a financial asset of one entity and financial liability or equity instrument of another entity.

a. Financial Assets

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit and loss, transaction costs that are attributable to the acquisition of the financial assets.

Subsequent measurement

Financial assets are subsequently measured at amortized cost or fair value through profit or loss depending on its business model for managing those financial assets and the asset's contractual cash flow characteristics.

Derecognition

The Company derecognizes a financial asset only when the contractual rights to the cash flows from the asset expires or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

Impairment of Financial Assets

The Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the financial assets. If credit risk has not increased significantly 12 months ECL is used to provide the impairment loss. If credit risk has increased significantly lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognizing impairment loss allowance based on 12 month ECL.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e. all cash shortfalls), discounted at the original EIR.

ECL impairment loss allowance (or reversal) recognised during the period is recognised as income/expenses in the statement of profit & loss.

b. Financial Liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit and loss, loans and borrowings or payable.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The financial liabilities include trade and other payables, loans and borrowings including bank overdrafts.

Subsequent measurement

The measurement of financial liabilities depends on their classification described below:

Financial liabilities at fair value through profit and loss

Financial liabilities at fair value through profit or loss includes derivative financial instruments entered into by

Note	Particulars

the Company that are not designated as hedging instruments in hedge relationships. All change in the fair value of such liability are recognised in the statement of profit and loss.

Loan and borrowings

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortized costs using EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognized as well as through the EIR amortization process.

Decrecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires.

2.19 SEGMENT REPORTING

Operating systems are reported in a manner consistent with the internal reporting provided to the chief operating decision maker (CODM). The Managing Director of the Company has been identified as CODM and he is responsible for allocating the resources, assess the financial performance and position of the Company and make strategic decision. Refer note 37 for segment information presented.

2.20 CRITICAL ESTIMATES AND JUDGEMENTS

The preparation of the financial statements in conformity with Ind AS requires the Management to make estimates, judgement and assumptions which affect the reported amount of assets and liabilities as at the balance sheet date, reported amount of revenue and expenses for the year and disclosure of contingent assets and liabilities as at the balance sheet date.

The areas involving critical estimates or judgement are:

i Critical estimates

a Measurement of defined benefit obligations – Note 43

b Estimated useful life of intangible assets, property, plant and equipment – Note 2.5 and 2.6

c Estimated fair value of financial instruments – Note 45

d Recognition of revenue – Note 2.4

e Provision for expected credit losses – Note 40

ii Significant Judgements

a Designating financial asset/liability through fair value through profit or loss so as to reduce/eliminate accounting mismatch.

b Probability of an outflow of resources to settle an obligation resulting in recognition of provision.

The estimates, judgement and assumptions used in the financial statements are based upon Management's evaluation of relevant facts and circumstances and as at the date of financial statements. Accounting estimates could differ from period to period and accordingly appropriate changes in estimates are made as the management becomes aware of the changes. Actual results could differ from the estimates.

(All amounts in ₹ Lakhs, unless otherwise stated)

Note 3 : Property, Plant & Equipment

Particulars	Plant and Machinery	Tractor	Office Equipment	Furniture and Fixtures	Electricals Fittings	Vehicles	Computers	Total
As at 31 March, 2019								
Gross carrying amount								
Opening gross carrying amount	442.82	0.08	2.67	36.52	0.47	200.77	21.06	704.39
Addition	3.16	-	-	0.11	-	-	0.08	3.35
Disposals/transfers	34.55	-	-	13.46	-	-	0.04	48.05
Closing gross carrying amount	**411.43**	**0.08**	**2.67**	**23.17**	**0.47**	**200.77**	**21.10**	**659.69**
Accumulated depreciation								
Opening accumulated depreciation	61.25	-	1.30	7.65	0.06	29.62	8.90	108.78
Depreciation charged during the year	39.83	-	0.14	3.52	0.04	25.81	3.40	72.74
Disposals/transfers	18.78	-	-	7.50	-	-	0.04	26.32
Closing accumulated depreciation	**82.30**	**-**	**1.44**	**3.67**	**0.10**	**55.43**	**12.26**	**155.20**
Net carrying amount	**329.13**	**0.08**	**1.23**	**19.50**	**0.37**	**145.34**	**8.84**	**504.49**
As at 31 March, 2020								
Gross carrying amount								
Opening gross carrying amount	411.43	0.08	2.67	23.17	0.47	200.77	21.10	659.69
Addition	31.98	-	0.22	2.93	-	-	0.57	35.70
Disposals/transfers	21.08	0.08	2.47	11.18	-	3.65	11.78	50.24
Closing gross carrying amount	**422.33**	**(0.00)**	**0.42**	**14.92**	**0.47**	**197.12**	**9.89**	**645.15**
Accumulated depreciation								
Opening accumulated depreciation	82.30	-	1.44	3.67	0.10	55.43	12.26	155.20
Depreciation charged during the year	40.28	-	0.28	2.90	-	25.79	2.20	71.47
Disposals/transfers	12.54	-	2.30	9.71	-	3.33	9.63	37.51
Closing accumulated depreciation	**110.04**	**-**	**(0.58)**	**(3.14)**	**0.10**	**77.89**	**4.83**	**189.16**
Net carrying amount	**312.29**	**(0.00)**	**1.00**	**18.06**	**0.37**	**119.23**	**5.06**	**455.98**

Note 4 : Intangible Assets

Particulars	Software	Total
As at 31 March, 2019		
Gross carrying amount		
Opening gross carrying amount	45.74	**45.74**
Addition	-	**-**
Disposals/transfers	-	**-**
Closing gross carrying amount	**45.74**	**45.74**
Accumulated depreciation		
Opening accumulated depreciation	21.32	**21.32**
Depreciation charged during the year	7.62	**7.62**
Disposals/transfers	-	**-**
Closing accumulated depreciation	**28.94**	**28.94**
Net carrying amount	**16.80**	**16.80**
As at 31 March, 2020		
Gross carrying amount		
Opening gross carrying amount	45.74	**45.74**
Addition	-	**-**
Disposals/transfers	12.51	**12.51**
Closing gross carrying amount	**33.23**	**33.23**
Accumulated depreciation		
Opening accumulated depreciation	28.94	**28.94**
Depreciation charged during the year	12.20	**12.20**
Disposals/transfers	11.89	**11.89**
Closing accumulated depreciation	**29.25**	**29.25**
Net carrying amount	**3.98**	**3.98**

(All amounts in ₹ Lakhs, unless otherwise stated)

Note 5 : Non-current Investments

Particulars	As at 31 March, 2020	As at 31 March, 2019
Investment in Equity Instruments		
A. Investments in Subsidiary Company (At cost)		
Unquoted		
1,48,77,038 (31 March, 2019 : 1,48,77,038) Equity shares of ₹10/- each fully paid up in Xlerate Driveline India Ltd.	1,487.70	1,487.70
Less:- Allowance for Impairment losses	(764.80)	-
Sub-total	722.90	1,487.70
B. Investment in Others		
Quoted		
At fair value through profit and loss (FVTPL) 2,36,097 (31 March, 2019 : 2,93,300) Equity shares of ₹10/- each fully paid up in Bharat Gears Ltd.	60.54	499.49
Sub-total	60.54	499.49
Total	**783.44**	**1,987.19**
Aggregate amount of Quoted Investments and market value thereof	60.54	499.49
Aggregate amount of Unquoted Investments	722.90	1,487.70

Note 6 : Non-current Loans and Advances

Particulars	As at 31 March, 2020	As at 31 March, 2019
Security deposit		
Unsecured, considered good*	2.53	5.93
Total	**2.53**	**5.93**

* In March'2019 ₹5.00 lacs is given under protest against excise matter disputed in High Court.

Note 7 : Non-current Trade Receivables

Particulars	As at 31 March, 2020	As at 31 March, 2019
Trade receivables including retention money	227.63	2,299.03
Trade receivables which have significant increase in credit risk	17.71	76.51
Trade receivables - credit impaired	(17.71)	(76.51)
Total	**227.63**	**2,299.03**

Note 8 : Other Non-current Financial Assets

Particulars	As at 31 March, 2020	As at 31 March, 2019
Long term deposits with banks with maturity period more than 12 months	213.50	252.99
Refer (a) below		
Total	**213.50**	**252.99**

(a) ₹ 213.50 (31 March, 2019 : ₹ 252.99) held as Margin money against bank guarantees.

(All amounts in ₹ Lakhs, unless otherwise stated)

Note 9 : Deferred Tax Assets/(Liabilities) (Net)

Particulars	As at 31 March, 2020	(Charged)/ credit during the year	As at 31 March, 2019
Deferred tax assets on account of:			
a) Provision for doubtful advances	-	(0.14)	0.14
b) Employees benefits	-	(24.12)	24.12
c) Current year income tax losses	-	(232.35)	232.35
d) Unabsorbed depreciation	-	(40.56)	40.56
e) Expected credit loss (ECL)	-	(19.89)	19.89
Total deferred tax assets	**-**	**(317.06)**	**317.06**
MAT credit entitlement			
Deferred tax liabilities on account of:			
a) Difference between book and tax depreciation	(25.01)	(9.11)	(15.90)
b) Income on Fair valuation of shares of Bharat Gears Limited	-	36.67	(36.67)
Total deferred tax liabilities	**(25.01)**	**27.56**	**(52.57)**
Total deferred tax (net)	**(25.01)**	**(289.50)**	**264.49**

Note 10 : Inventories

Particulars	As at 31 March, 2020	As at 31 March, 2019
At lower of cost and net realisable value		
Stock-in trade-traded goods	10.42	43.08
Total	**10.42**	**43.08**

Note 11 : Current Trade Receivables

Particulars	As at 31 March, 2020	As at 31 March, 2019
Unsecured considered good, unless otherwise stated		
Trade receivables	2,557.71	2,365.59
Trade receivables which have significant increase in credit risk	588.00	-
Trade receivables - credit impaired	(588.00)	-
Total	**2,557.71**	**2,365.59**

Note 12 : Cash and Cash Equivalents

Particulars	As at 31 March, 2020	As at 31 March, 2019
Balance with Banks		
In current account	33.29	149.06
Cash on hand	1.12	0.74
Total	**34.41**	**149.80**

(All amounts in ₹ Lakhs, unless otherwise stated)

Note 13 : Bank Balances other than Cash and Cash Equivalents

Particulars	As at 31 March, 2020	As at 31 March, 2019
Other balances		
Earmarked balances with banks for:		
Unpaid dividends	8.30	9.64
Fixed deposits with various authorities		
Margin money against bank guarantees and others	224.03	585.95
Total	**232.33**	**595.59**

Note 14 : Current Loans and Advances

Particulars	As at 31 March, 2020	As at 31 March, 2019
Unsecured, considered good		
Security deposits	5.20	3.80
Loans and advances to employee	15.10	8.35
Total	**20.31**	**12.15**

Note 15 : Other Current Financial Assets

Particulars	As at 31 March, 2020	As at 31 March, 2019
Accrued interest on deposits with banks and others	9.95	14.29
Total	**9.95**	**14.29**

Note 16 : Current Tax Assets

Particulars	As at 31 March, 2020	As at 31 March, 2019
Current tax assets (net of provision)	134.79	103.25
Total	**134.79**	**103.25**

Note 17 : Other Current Assets

Particulars	As at 31 March, 2020	As at 31 March, 2019
Unsecured considered good		
Prepaid expenses	37.50	93.42
Advances recoverable in cash or in kind or for value to be received	130.00	252.32
Balance with Government authorities	255.44	318.30
Total	**422.94**	**664.04**

(All amounts in ₹ Lakhs, unless otherwise stated)

Note 18 : Equity Share Capital

Particulars	As at 31 March, 2020		As at 31 March, 2019	
	No. of Shares	₹ in Lakhs	No. of Shares	₹ in Lakhs
Authorized:				
Equity shares of ₹ 10 each (31 March, 2019 ₹ 10 each)	35,000,000	3500.00	35,000,000	3500.00
Issued, Subscribed and Paid-up:				
Equity shares of ₹ 10 each (31 March, 2019 ₹ 10 each)	3,343,243	334.32	3,343,243	334.32
Total		**334.32**		**334.32**

The Company has one class of equity share having a par value of ₹ 10/- per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

Reconciliation of shares issued

As no fresh issue of shares or reduction in capital was made during the current year as well as during the previous period, hence there is no change in the opening and closing capital. Accordingly, reconciliation of share capital has not been given.

Details of Equity Shares held by shareholders holding more than 5% of the aggregate shares in the Company

Particulars	As at 31 March, 2020		As at 31 March, 2019	
	No. of Shares	%	No. of Shares	%
Mr. Surinder Paul Kanwar	1,466,695	43.87	1,466,695	43.87
Strategic Capital Partners Private Limited	245,316	7.34	264,028	7.89
Soham Ashokkumar Shah	235,972	7.06	235,972	7.06

Note 19 : Other Equity

Particulars	Refer following items	As at 31 March, 2020	As at 31 March, 2019
Capital reserve	19(a)	0.67	0.67
Securities premium reserve	19(b)	162.43	162.43
General reserve	19(c)	1,525.27	1,525.27
Retained earnings	19(d)	(671.05)	2,239.54
Total		**1,017.32**	**3,927.91**

Particulars		As at 31 March, 2020	As at 31 March, 2019
a.	Capital reserve-balance at the beginning and end of the year	0.67	0.67
b.	Securities premium reserve-balance at the beginning and end of the year	162.43	162.43
c.	General Reserve		
	Balance at the beginning of the year	1,525.27	1,525.27
	Add: Transferred from retained earnings	-	-
	Balance at the end of the year	1,525.27	1,525.27
d.	Retained earnings		
	Balance at the beginning of the year	2,239.54	2,747.64
	Profit for the year	(2,921.78)	(527.62)
	Remeasurement of defined benefit plans (net of tax)	11.19	19.52
	Balance at the end of the year	(671.05)	2,239.54
	Total	**1,017.32**	**3,927.91**

(All amounts in ₹ Lakhs, unless otherwise stated)

Nature and purpose of reserves

Capital Reserve: Represents the reserves created as a result of forfeiture of shares of the Company. Capital reserve will be utilized for issue of fully paid bonus shares.

Securities Premium Reserve: The amount received from share holders in excess of face value of the equity shares is recognised in Securities Premium Reserve and will be utilized as per provisions of the Companies Act, 2013.

General Reserve: The Company has transferred a portion of the net profit of the Company before declaring dividend to general reserve pursuant to the earlier provisions of the Companies Act, 1956. Mandatory transfer to general reserve is not required under the Companies Act, 2013. General Reserve will be utilized as per provisions of the Companies Act, 2013. The same is a free reserve and available for distribution.

Note 20 : Non-current Borrowings

Particulars	As at 31 March, 2020	As at 31 March, 2019
Secured borrowings		
Term loans from banks	31.56	56.36
Unsecured borrowings		
Loan from corporates	235.00	165.00
Loan from others	200.00	-
Total	**466.56**	**221.36**

Note:

1. Term Loan from bank ₹ 31.56 lacs (31 March, 2019: ₹ 56.96 lacs) was secured by way of hypothecation/exclusive charge on assets financed. Repayable along with interest at the rate of 8% p.a. in 60 monthly installments financed by HDFC Bank Ltd.
2. Loan from Corporates : Repayable at the end of 5/3 years and interest is charged at the rate of 9%/10% p.a.
3. Loan from others : Repayable at the end of 5 years and interest is charged at the rate of 9% p.a.

Note 21 : Non-current Provisions

Particulars	As at 31 March, 2020	As at 31 March, 2019
Provision for employee benefits		
Provision for compensated absences	42.06	58.54
Total	**42.06**	**58.54**

Note 22 : Current Borrowings

Particulars	As at 31 March, 2020	As at 31 March, 2019
Secured Borrowings		
Working capital loans repayable on demand from		
Bank - Cash Credit (CC)	-	366.18
Bank - Overdraft Facility (OD)	167.13	-
Total	**167.13**	**366.18**

Working capital loans repayment on demand from banks

Working capital loan from Banks were secured by first charge by way of hypothecation on entire current assets including stock, stores, trade receivables etc., and also 1st charge by way of hypothecation on movable fixed assets (other than those which are exclusively charged in favour of the respective lenders) ranking pari passu amongst the Banks on the point of security.

(All amounts in ₹ Lakhs, unless otherwise stated)

Overdraft Facility from bank

Overdraft facility from bank are secured against the security of the Fixed deposit of Mr. Surinder Paul Kanwar, Chairman and Managing Director of the Company.

Note 23 : Trade Payables

Particulars	As at 31 March, 2020	As at 31 March, 2019
Total outstanding dues of micro enterprises and small enterprises	-	-
Total outstanding dues of trade payable other than micro enterprises and small enterprises	1,960.59	3,295.13
Total	**1,960.59**	**3,295.13**

There were no amounts outstanding to be paid to micro and small enterprises registered under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED). No interest is paid/payable during the year to any micro or small enterprise registered under the MSMED. No amount of interest accrued and remaining unpaid at the end of the year and no amount of further interest remaining due and payable in succeeding years. The above information takes into account only those suppliers who have responded to the enquiries made by the Company for this purpose.

Note 24 : Other Current Financial Liabilities

Particulars	As at 31 March, 2020	As at 31 March, 2019
Current maturities of long-term debt (Refer Note 20)	24.81	22.91
Unclaimed dividend	8.30	9.64
Employee Dues	216.32	218.46
Creditors for expenses	71.20	53.29
Interest payable	23.59	3.01
Total	**344.22**	**307.31**

Note 25 : Other Current Liabilities

Particulars	As at 31 March, 2020	As at 31 March, 2019
Statutory dues	59.61	198.24
Contractually reimbursable expenses	29.62	26.43
Contract mobilization advances from customers	499.60	375.87
Total	**588.83**	**600.54**

Note 26 : Current Provisions

Particulars	As at 31 March, 2020	As at 31 March, 2019
Provision for employee benefits		
Provision for compensated absences	29.18	34.21
Provision for gratuity	29.66	7.79
Provision-others		
Provision for other outstanding liabilities	105.04	125.42
Total	**163.88**	**167.42**

(All amounts in ₹ Lakhs, unless otherwise stated)

Note 27 : Revenue from Operations

Particulars	For the Year ended 31 March, 2020	For the Year ended 31 March, 2019
Sales of service (service contracts/supply contracts)	1,853.13	4,627.58
Total	**1,853.13**	**4,627.58**

Note 28 : Other Income

Particulars	For the Year ended 31 March, 2020	For the Year ended 31 March, 2019
Interest income	39.75	56.49
Net gain/(loss) on fair value of financial assets through statement of profit & loss (FVPL)	-	6.01
Amount received from revenue authorities	-	427.04
Unclaimed Balances Written Back	242.54	-
Other non-operating income	86.58	87.47
Total	**368.87**	**577.01**

Note 29 : Cost of Materials Consumed

Particulars	For the Year ended 31 March, 2020	For the Year ended 31 March, 2019
Opening stock	43.08	136.10
Add: Purchases during the year	486.06	2,785.73
Less: Closing stock	10.42	43.08
Net material consumed	518.72	2,878.75
Total	**518.72**	**2,878.75**

Note 30 : Employee Benefits Expenses

Particulars	For the Year ended 31 March, 2020	For the Year ended 31 March, 2019
a. Salaries and wages	478.13	713.84
b. Contributions to provident and other fund	36.12	53.20
c. Gratuity fund contribution - (Refer note 43)	27.25	54.82
d. Staff welfare expenses	21.22	37.43
Total	**562.72**	**859.29**

Note 31 : Finance Cost

Particulars	For the Year ended 31 March, 2020	For the Year ended 31 March, 2019
a. Interest expenses on:		
Borrowings	168.65	227.35
b. Other borrowing costs	123.05	164.61
(Bank and other financial charges)		
Total	**291.70**	**391.96**

(All amounts in ₹ Lakhs, unless otherwise stated)

Note 32 : Depreciation and Amortization Expenses

Particulars	For the Year ended 31 March, 2020	For the Year ended 31 March, 2019
Depreciation of property, plant and equipment	71.44	72.75
Amortization of intangible assets	12.20	7.62
Total	**83.64**	**80.37**

Note 33 : Other Expenses

Particulars	For the Year ended 31 March, 2020	For the Year ended 31 March, 2019
Consumption of stores and spare parts	213.86	229.63
Erection expenses	429.03	831.90
Power and fuel	11.41	15.75
Hire charges	54.61	70.12
Travelling & conveyance	58.55	84.19
Rent	26.85	46.40
Repairs and maintenance - machinery	4.92	8.06
Insurance	18.55	18.72
Rates and taxes	12.60	20.05
Freight and forwarding	36.44	124.71
Payments to auditors (Refer Note (i) below)	4.50	4.30
Loss on fixed assets sold	4.36	7.64
Legal & professional charges	52.60	68.30
Miscellaneous expenses	58.18	76.84
Total	**986.46**	**1,606.61**

Auditors' Remuneration paid/payable for the year

Particulars	For the Year ended 31 March, 2020	For the Year ended 31 March, 2019
Statutory audit fee	2.50	2.50
Limited review and other certifications	1.91	1.61
Reimbursement	0.09	0.19
Total	**4.50**	**4.30**

Note 34 : Earnings Per Share

Particulars	For the Year ended 31 March, 2020	For the Year ended 31 March, 2019
Weighted average number of equity shares outstanding	3,343,243	3,343,243
Profit after tax available for shareholders	(2,921.78)	(527.62)
Basic & diluted earning per share	(87.39)	(15.78)
Face value per share	10.00	10.00

Note 35 : Tax Reconciliation

Reconciliation of tax expense and accounting profit as per Ind AS 12:

Income Tax Expenses

This note provides an analysis of the Company's income tax expenses that how the tax expenses are affected by non-assessable and not-deductible items:

(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	2019-20	2018-19
Income Tax Expenses		
Current tax for the year	-	-
Adjustment for current tax of prior period	-	-
Total current tax expenses	**-**	**-**
Deferred tax		
Increase/ (Decrease) in deferred tax assets	(317.06)	129.03
(Increase)/ Decrease in deferred tax liabilities	27.56	(30.09)
Total deferred tax income/(expenses)	**(289.50)**	**98.94**
Income tax expenses	**289.50**	**(98.94)**

Reconciliation of tax expenses and accounting profit multiplied by applicable Indian tax rate:

Particulars	2019-20	2018-19
Profit before income taxes	(2,632.27)	(626.56)
Enacted tax rate in India (%)	25.17%	26.00%
Computed expected tax expenses	-	-
Tax effect due to non-taxable income for Indian tax purposes	-	(1.56)
Tax reversals	-	-
Effect of non-deductible expenses	-	1.56
Others	289.50	(98.94)
Income tax expenses	**289.50**	**(98.94)**

Note 36 : Disclosure required pursuant to Ind AS-36 "Impairment of Assets"

The Company has carried out impairment test on its fixed assets as on the date of Balance Sheet and the Management is of the opinion that there is no asset for which provision for impairment is required to be made as per Ind AS - 36 Impairment of Assets.

Note 37 : Operating Segment Information

The Company's operations predominantly consist of construction activities. Hence there are no reportable segments under Ind AS - 108 " Operating Segment " during the year under report, the Company has engaged in its business only within India and not in any other country. The condition prevailing in India being uniform, no separate geographical disclosures are considered necessary.

Note 38 : Contingent Liabilities

Particulars	As at 31 March, 2020	As at 31 March, 2019
Contingent liabilities		
a. Guarantees/letter of credit given by the banks which are counter guaranteed by the company and secured against fixed and current assets	2,378.00	4,045.69
b. Guarantee given to bank on behalf of subsidiary company	256.63	306.23
c. Others where company had gone in to appeals before appropriate authorities:		
-Sales Tax	20.29	20.29
-Income Tax	44.83	-
d. Corporate guarantee	-	243.97
Total	**2,699.75**	**4,616.18**

(**All amounts in ₹ Lakhs, unless otherwise stated)**

Note 39 : Capital Management

The Company's capital management objective is to maximize the total shareholder's return by optimizing cost of capital through flexible capital structure that supports growth. Company ensure optimal credit risk profile to maintain/enhance credit rating.

The Company determines the amount of capital requirement on the basis of annual operating plan and long-term strategic plans. The funding requirements are met through internal accruals and long term/short term borrowings. The Company monitors the capital structure on the basis of Net debts to equity ratio and maturity profile of the overall debt portfolio of the Company.

For the purpose of Company's capital management, equity includes paid up equity share capital and reserves and surplus and Debt comprises of long term borrowings including current maturities of these borrowings.

The following table summarizes long term debt and equity of the Company:

Particulars	As at 31 March, 2020	As at 31 March, 2019
Equity share capital	334.32	334.32
Other equity	1,017.32	3,927.91
Total equity	1,351.64	4,262.23
Long term debt	491.36	244.27
Debt to equity ratio	**0.36**	**0.06**

Note 40 : Financial Risk Management Objectives and Policies

The Company's business activities exposed to a variety of financial risk viz., market risk, credit risk and liquidity risk. The Company's focus is to foresee the unpredictability of financial risk and to address the issue to minimize the potential adverse effects of its financial performance.

The Company's financial risk management is an integral part of how to plan and execute its business strategies. The Company's financial risk management policy is set by the Company's management.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Such changes in the values of financial instruments may result from changes in the foreign currency exchange rates, interest rates, credit, liquidity and other market changes.

Interest rate risk

Out of total borrowings, large portion represents short term borrowings and the interest rate primarily basing on the Company's credit rating and also the changes in the financial market. Company influence rating and also factors which influential the determination of the interest rates by the banks to minimize the interest continuously monitoring over all factors rate risks.

Exposure to interest rate risk

Particulars	As at 31 March, 2020	As at 31 March, 2019
Floating rate borrowings: Working capital loan	48.58	55.87
Total	**48.58**	**55.87**

A change of 50 basis points (bp) in interest rates would have following impact on profit before tax

Particulars	As at 31 March, 2020	As at 31 March, 2019
50 bp increase - Decrease in profit	1.89	2.20
50 bp decrease - Increase in profit	(1.89)	(2.20)

Credit risk

Credit risk refers to risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. Credit risk arises primarily from financial assets such as trade receivables, loans, investments and other financial assets.

(**All amounts in ₹ Lakhs, unless otherwise stated)**

At each reporting date, the Company measures loss allowance for certain class of financial assets based on historical trend, industry practices and the business environment in which the Company operates.

Credit risk with respect to trade receivables are limited, due to the Company's customer profiles are well balanced in Government and Non-Government customers and diversified amongst in various geographies. All trade receivables are reviewed and assessed on a quarterly basis.

Credit risk arising from investments and balances with banks is limited because the counter parties are banks and recognised companies with high credit worthiness.

(i) Provision for expected credit losses:

The Company measures Expected Credit Loss (ECL) for financial instruments based on historical trend, industry practices and the business environment in which the Company operates.

For financial assets, a credit loss is the difference between:

(a) the contractual cash flows that are due to an entity under the contract; and

(b) the cash flows that the entity expects to receive.

The Company recognizes in profit or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date in accordance with Ind AS 109.

In determination of the allowances for credit losses on trade receivables, the Company has used a practical expedience by computing the expected credit losses based on ageing matrix, which has taken into account historical credit loss experience and adjusted for forward looking information.

(ii) The movement of Trade Receivables and Expected Credit Loss are as follows:

Particulars	As at 31 March, 2020	As at 31 March, 2019
Trade Receivables (Gross)	3,391.05	4,741.13
Less: Expected Credit Loss	(605.71)	(76.51)
Trade Receivables (Net)	**2,785.34**	**4,664.62**

Financial Instruments and cash deposits

The Company considers factors such as track record, size of the institution, market reputation and service standards to select the banks with which balances and deposits are maintained. Investments of surplus funds are made only with approved counterparties. The maximum exposure to credit risk for the components of the balance sheet is Rs. 3358.90 lacs as at 31.03.2020 and Rs. 6194.86 lacs as at 31.03.2019, which is the carrying amount of cash and cash equivalents, other bank balances, investments (other than equity investments in subsidiary), trade receivables, loans and other financial assets.

Liquidity risk

Liquidity risk is the risk that the Company may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses. The Company monitors its risk to a shortage of funds using a recurring liquidity planning tool. This tool considers the maturity of both its financial investments and financial assets (i.e. trade receivables, other financial assets) and projected cash flows from operations.

The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of working capital loans, letter of credit facility, bank loans and credit purchases.

The tables below provide details regarding the contractual maturities of significant financial liabilities to the contractual maturity date:

(All amounts in ₹ Lakhs, unless otherwise stated)

As at 31 March, 2020

Particulars	Less than 1 year	1 to 5 years	More than 5 years	Total
Interest Bearing Loans and Borrowings (Including Current Maturities)	191.93	466.56	-	658.49
Trade Payables	1,960.59	-	-	1,960.59
Other Financial Liabilities	319.41	-		319.41
Total	**2,471.93**	**466.56**	**-**	**2,938.49**

As at 31 March, 2019

Particulars	Less than 1 year	1 to 5 years	More than 5 years	Total
Interest Bearing Loans and Borrowings (Including Current Maturities)	389.09	221.36	-	610.45
Trade Payables	3,295.13	-	-	3,295.13
Other Financial Liabilities	284.40	-	-	284.40
Total	**3,968.62**	**221.36**	**-**	**4,189.98**

Note 41 : Corporate Social Responsibility

Gross amount required to be spent by the Company during the Financial Year 2019-20 is Nil as the Company has incurred losses in the previous years.

Note 42 : Expenditure in Foreign Currency

Particulars	For the year ended 31 March, 2020	For the year ended 31 March, 2019
Other matter (Travel)	1.31	-

Note 43 : Employee Benefits

a) Defined Contribution Plans

The Company's contribution to the provident Fund and Superannuation funds are charged to the Profit and loss statement.

During the year, the Company has recognised the following amounts in the statement of profit & loss:

Particulars	2019-20	2018-19
Contribution to Provident Fund and Family Pension Fund	29.58	41.14
Contribution to Superannuation Fund	4.17	5.70

b) Post Employment Defined Benefit Plans

The Company provides for gratuity, a defined benefit retirement plan covering eligible employees. As per the scheme, the Gratuity Trust fund managed by the Trust, makes payment to vested employees on retirement, death, incapacitation or termination/resignation of employment, of an amount based on the respective employee's eligible salary depending upon the tenure of service. Vesting occurs upon completion of five years of service. Liabilities with regard to the Gratuity plan are determined by actuarial valuation as set out in Note 2.15, based upon which, the Company makes contribution to the Gratuity fund.

(All amounts in ₹ Lakhs, unless otherwise stated)

c) Other long term employee benefit plan

Leave Encashment Scheme [LES] (Unfunded)

The Company provides for accumulated leave benefit for eligible employees payable at the time of retirement/ resignation from service as per the policy of the Company, actual number of days outstanding based on last drawn salary. The liabilities with regard to leave encashment scheme are determined by actuarial valuation as set out in Note 2.15.

d) Risk Exposure

Aforesaid post employment defined benefit plans typically expose the Company to actuarial risks, most significant of which are discount rate risk, salary escalation risk and demographic risk.

Discount Risk

The Company is exposed to the risk of fall in discount rate. A fall in discount rate will eventually increase the ultimate cost of providing the above benefit thereby increasing the value of liability.

Salary Escalation Risk

The present value of defined benefit plan liability is calculated by reference to the future salaries of plan participant. An increase in the salary of plan participants will increase the plan liabilities.

Demographic Risk

In the valuation of liability certain demographic (mortality and attrition rates) assumptions are made. The Company is exposed to this risk to the extent of actual experience eventually being worse compared to the assumption thereby causing an increase in the plan liability.

Details of Defined Benefits plans-as required by Ind AS-19 Employee Benefits

Particulars	Gratuity Funded	
Components of employee expenses	**2019-20**	**2018-19**
Current service cost	6.19	6.07
Past service cost	-	-
Interest cost	7.01	8.79
Expected return on Plan Assets	(6.46)	(8.39)
Total expenses recognised in the Profit & Loss Statement	6.73	6.47
Cumulative unrecognised actuarial (gain)/loss opening B/F	(26.38)	(30.79)
Actuarial (gain)/loss-Obligation	9.39	3.57
Actuarial (gain)/loss-plan assets	5.79	0.84
Total Actuarial (gain)/loss recognised in other comprehensive (income)/expenses	(11.20)	(26.38)
Actual Contribution & Benefits payment for the year	**2019-20**	**2018-19**
Actual Benefits payments	22.50	33.03
Actual contributions	0.05	9.63
Net assets/(liability) recognised in the Balance Sheet	**2019-20**	**2018-19**
Present value of Defined Benefit Obligation	100.22	100.13
Fair value of Plan Assets	70.57	92.35
Funded Status [Surplus/(Deficit)]	(29.66)	(7.79)
Net assets/ (liability) recognised in the Balance Sheet	(29.66)	(7.79)
Change in Defined Benefits Obligation during the year	**2019-20**	**2018-19**
Present value of Defined Benefit Obligation as at the beginning of the year	100.14	113.37
Current service cost	6.19	6.07
Interest Cost	7.01	8.79
Actuarial Losses/(Gains)	9.39	4.94
Benefits paid	22.50	33.03
Present value of Defined Benefits Obligation as at the end of the year	100.22	100.14

(**All amounts in ₹ Lakhs, unless otherwise stated)**

Change in Fair value of the Plan Assets during the year	2019-20	2018-19
Plan Asset as at the beginning of the year	92.35	114.64
Actuarial Adjustment	-	(6.44)
Expected return on the Plan Assets	6.46	8.39
Actual Company contributions	0.05	9.63
Actuarial (Losses)/Gains	(5.79)	(0.84)
Benefits paid	(22.50)	(33.03)
Plan Asset as at the end of the year	70.57	92.35
Actuarial Assumptions	**2019-20**	**2018-19**
Discount rate	7.00%	7.75%
Expected return on plan assets	7.00%	7.75%
Withdrawal rate (per annum) (18 to 30 years)	5.00%	5.00%
Withdrawal rate (per annum) (30 to 44 years)	3.00%	3.00%
Withdrawal rate (per annum) (44 to 60 years)	2.00%	2.00%
Salary escalation rate	5.00%	5.00%

The expected rate of return on the plan asset (Gratuity funded) is based on the average long term rate of return expected on investment of funds during estimated term of obligation.

The assumption of the future salary increases, considered in actuarial valuation, takes into account the inflation, seniority, promotion & other relevant factors.

The major categories of plan assets as a percentage of the total plan assets	2019-20	2018-19
Insurer Managed Funds	100%	100%
Experience Adjustments	**2019-20**	**2018-19**
Present value of Defined Benefit Obligation as at the end of the year	100.22	100.14
Fair value of plan assets as at the end of the year	70.57	92.35
Funds Status [Surplus/(Deficit)]	(29.66)	(7.79)
Experience adjustment of Plan Liabilities	2.31	2.31
Experience adjustment of Plan Asset	70.57	92.35

The liability for leave encashment is accounted for on accrual basis on actuarial valuation at the year end.

Sensitivity Analysis for significant assumptions as on 31.03.2020 are as follows:-

Assumptions	Discount rate		Future Salary		Withdrawal Rate	
Sensitivity Analysis	1.00% Increase	1.00% Decrease	1.00% Increase	1.00% Decrease	1.00% Increase	1.00% Decrease
Impact on defined benefit obligation	(4.34)	4.99	5.04	(4.46)	0.66	(0.74)

Sensitivity Analysis for significant assumptions as on 31.03.2019 are as follows:-

Assumptions	Discount rate		Future Salary		Withdrawal Rate	
Sensitivity Analysis	1.00% Increase	1.00% Decrease	1.00% Increase	1.00% Decrease	1.00% Increase	1.00% Decrease
Impact on defined benefit obligation	(4.13)	4.71	3.76	(3.24)	0.84	0.95

The Company expects to contribute ₹ 7.06 lacs (Previous year ₹ 7.48 lacs) to gratuity fund in next year.

The weighted average duration of the defined benefit obligation as at 31.03.2020 is 8 years (as at 31.03.2019: 11 years).

Estimate of expected benefit payments (In absolute terms i.e. undiscounted).

(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	(₹ in lacs)
01 April, 2020 to 31 March, 2021	40.21
01 April, 2021 to 31 March, 2022	10.59
01 April, 2022 to 31 March, 2023	7.80
01 April, 2023 to 31 March, 2024	1.64
01 April, 2024 to 31 March, 2025	1.91
01 April, 2025 onwards	38.06

Note 44 : Related Party Disclosures

Pursuant to Ind AS-24 "Related Party Disclosures", following parties are to be treated as related parties:

(a) Where control exists:

Xlerate Driveline India Limited (XDIL)

(b) Entities over which key managerial personnel is able to exercise significant influence:

Bharat Gears Limited (BGL)
Vibrant Reality Infra Pvt. Ltd. (VRIPL)
Ultra Consultants Pvt. Ltd. (UCPL)
Future Consultants Pvt. Ltd. (FCPL)
Cliplok Simpak (India) Pvt. Ltd. (CSIPL)
Samreet Investment & Management Consultancy Pvt. Ltd. (SIMCPL)
Gulab Merchandise Pvt. Ltd. (GMPL)

(c) Key managerial personnel

Mr. Surinder Paul Kanwar - Chairman & Managing Director
Mr. Sachit Kanwar - Joint Managing Director
Mr. Sameer Kanwar - Non-Executive Director
Dr. Sanjeev Kumar- Non-Executive Independent Director
Mr. Pradeep Kumar Mittal- Non-Executive Independent Director
Mrs. Seethalakshmi Venkataraman- Non-Executive Independent Director
Mr. Rajiv Chandra Rastogi- Non-Executive Independent Director
Mr. Naresh Kumar Verma - Non-Executive Director

Details of transactions with the related parties

Particulars	Where control exists		Entities over which key managerial personnel is able to exercise significant influence		Key managerial personnel	
Transaction during the year	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19
Reimbursement of expenses (net)						
XDIL	1.05	6.60	-	-	-	
Rent Paid						
BGL	-	-	7.16	11.77	-	-
VRIPL	-	-	4.80	4.80	-	-
Electricity Charges paid						
VRIPL	-	-	2.11	2.30	-	-
Interest Payment						
VRIPL	-	-	0.18	0.37	-	-
Loan Taken						
XDIL			25.00	-		
UCPL	-	-	30.00	-	-	-
CSIPL	-	-	20.00	-	-	-
VRIPL	-	-	20.00	21.00	-	-
Loan Repaid						
VRIPL			-	21.00		
XDIL			25.00	-		

(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	Where control exists		Entities over which key managerial personnel is able to exercise significant influence		Key managerial personnel	
Transaction during the year	**2019-20**	**2018-19**	**2019-20**	**2018-19**	**2019-20**	**2018-19**
Managerial remuneration						
Mr. Surinder Paul Kanwar	-	-	-	-	*	*
Mr. Sachit Kanwar	-	-	-	-	48.15	93.05
Dr. Sanjeev Kumar	-	-	-	-	0.45	1.05
Mr. Rajiv Chandra Rastogi	-	-	-	-	1.10	-
Mr. Pradeep Kumar Mittal	-	-	-	-	0.60	1.15
Mr. Naresh Kumar Verma	-	-	-	-	0.10	-
Mrs.Seethalakshmi Venkataraman	-	-	-	-	0.60	0.30
Balances at the end of the year	**31 March, 2020**	**31 March, 2019**	**31 March, 2020**	**31 March, 2019**	**31 March, 2020**	**31 March, 2019**
Corporate Guarantee given to bank for credit limit sanctioned						
XDIL	405.00	405.00	-	-	-	-
Balance Payable/(receivable)						
XDIL	6.13	7.06	-	-	-	-
UCPL	-	-	30.00	-	-	-
CSIPL	-	-	20.00	-	-	-
BGL	-	-	19.47	11.65	-	-
VRIPL	-	-	31.66	9.11	-	-
Guarantee given for credit limits taken by Company					-	-
VRIPL	-	-	1,877.00	4,297.00	-	-
Surinder Paul Kanwar	-	-	-	-	2,545.12	4,798.00

* Token remuneration of ₹ 12 (Rupees Twelve) paid to Chairman & Managing Director.

Note 45 : Financial Instruments

Particulars	Notes	31 March, 2020			31 March, 2019		
		FVTPL	FVTOCI	Amortized Cost	FVTPL	FVTOCI	Amortized Cost
Financial Assets							
Investment							
Equity Shares (Quoted)	5	60.54	-	-	499.49	-	-
Equity Shares (Unquoted)	5	722.90	-	-	-	-	1,487.70
Loans and Advances	6,14	-	-	22.84	-	-	18.08
Trade Receivables	7,11	-	-	2,785.34	-	-	4,664.62
Cash and Bank Balances	12,13	-	-	266.74	-	-	745.39
Other Financial Assets	8,15	-	-	223.45	-	-	267.28
Total Financial Assets		**783.44**	**-**	**3,298.36**	**499.49**	**-**	**7,183.07**
Financial Liabilities							
Borrowings	20,22	-	-	633.68	-	-	587.54
Trade Payables	23	-	-	1,960.59	-	-	3,295.13
Other Financial Liability	24	-	-	344.22	-	-	307.31
Total Financial liabilities		**-**	**-**	**2,938.49**	**-**	**-**	**4,189.98**

(**All amounts in ₹ Lakhs, unless otherwise stated)**

Fair Value Hierarchy

The Company uses following method of hierarchy for determining and disclosing the fair value of financial instruments by valuation techniques:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the assets or liability, either directly (i.e. as prices) or indirectly.

Level 3: Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

i) Financial assets and liabilities are measured at recurring fair value measurement at 31 March, 2020

Particulars	Notes	Level 1	Level 2	Level 3	Total
Financial assets					
Investment in:					
Equity Instruments	5	60.54	-	722.90	783.44

ii) Financial assets and liabilities are measured at recurring fair value measurement at 31 March, 2019

Particulars	Notes	Level 1	Level 2	Level 3	Total
Financial assets					
Investment in:					
Equity Instruments	5	499.49	-	-	499.49

During the year ended 31.03.2020 , there were no transfers between Level 1 and level 2 fair value measurements and no transfer into and out of Level 3 fair value measurements. There is a transaction/balance under level 3.

Note 46: Impact of COVID-19 Pandemic

The Company has incurred losses during the current year amounting to Rs. 2910.59 lacs, primarily owing to the lower volumes due to continuing slowdown in the EPC industry, ECL provision and decrease in fair value of investments. The Company has a positive net worth of Rs. 1351.64 lacs and a net current asset position of Rs. 198.20 lacs. The Company's operation have also been impacted by the unprecedented COVID-19 pandemic whch resulted in an interruption in Erection & Supply activity due to nationwide lockdown.

The Company has made an assessment of the impact of the pandemic on its operations and the carrying value of Plant & Machinery,Inventory, Receivables and other financial assets, by relying on the internal and external sources of information and indicators of economic forecasts. Based on such assessment, the Company is confident of recovering the carrying value of these assets as at 31 March, 2020.

Management believes that it has taken into account all the possible impact of known events arising from COVID 19 pandemic in the preparation of the financial statements. However, the impact assessment of COVID 19 is a continuing process given the uncertainties associated with its nature and duration. The Company will continue to monitor any material changes to future economic conditions.

Note 47: Previous year's figures are reclassified, where necessary, to conform to the current year's classification.

For and on behalf of the Board of Directors

For B R Maheswari & Co LLP
Chartered Accountants
Firm's Registration No. 001035N/N500050

Surinder Paul Kanwar
Chairman and Managing Director
(DIN: 00033524)

Sachit Kanwar
Joint Managing Director
(DIN: 02132124)

Sameer Kanwar (DIN: 00033622)
Dr. Sanjeev Kumar (DIN: 00364416)
P.K. Mittal (DIN: 00165315)
Seethalakshmi Venkataraman (DIN: 07156898)
Rajiv Chandra Rastogi (DIN: 00035460)
Naresh Kumar Verma (DIN: 07087356)
Directors

Sanjay Nath
Partner
Membership No. 082700

Date: 30 June, 2020

Rajan Malhotra
Chief Executive Officer
(PAN: AAEPM3206C)

Himanshu Goyal
Chief Financial Officer
(PAN: BUCPG9157M)

Vartika Malhotra
Company Secretary
(PAN: CQUPM5658Q)

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF RAUNAQ EPC INTERNATIONAL LIMITED

Report on the audit of the Consolidated Financial Statements

We have audited the consolidated financial statements of Raunaq EPC International Limited ("the Holding Company") and its Subsidiary (the Holding Company and its Subsidiary together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at 31 March, 2020, the Consolidated Statement of Profit and Loss (including Consolidated Other Comprehensive Income), Consolidated Statement of changes in equity and the Consolidated statement of Cash Flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") other accounting principles generally accepted in India, of the Consolidated state of affairs of the Group as at 31 March, 2020, and its Consolidated loss, Consolidated changes in equity and its Consolidated cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the Consolidated financial statements under the provisions of the Act, and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the consolidated financial statements.

Emphasis of Matter

We draw your attention to Note 48 to the consolidated financial statements which explains the uncertainties and the management's assessment of the financial impact due to the lock-downs and other restrictions and conditions related to the Covid-19 pandemic situation, for which a definitive assessment of the impact in the subsequent period is highly dependent upon circumstances as they evolve. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

S. No	Key Audit Matter	Our response

1.	**Accuracy of recognition, measurement, presentation and disclosures of revenues and other related balances in view of Ind AS 115 "Revenue from Contracts with Customers"**
	The application of the accounting standard involves certain key judgements relating to satisfaction of performance obligations, determination of transaction price of the identified performance obligations, the appropriateness of the basis used to measure revenue recognised over a period.
		Our audit approach consisted review of the design and operating effectiveness of the internal controls and substantive testing as follows:
		• Evaluated the design of internal controls relating to revenue recognition process.
		• Selected a sample of continuing and new contracts, and tested the operating effectiveness of the internal control, relating to satisfaction of performance obligations and determination of transaction price. We carried out a combination of procedures involving enquiry and observation, reperformance and inspection of evidence in respect of operation of these controls.
		• Selected a sample of continuing and new contracts and performed the following procedures:
		  • Read, analysed and identified the timing of satisfaction of performance obligations in these contracts.
		  • Compared these performance obligations with that identified and recorded by the Company.
		  • Considered the terms of the contracts to determine the transaction price used to compute revenue.
		  • Samples in respect of revenue recorded for time and material contracts were tested using a combination of approved time sheets including customer acceptances, and historical trend of collections and disputes.
		  • Performed analytical procedures for reasonableness of revenues disclosed by type and service offerings.

Information Other than the Financial Statements and Auditors' Report thereon

The Holding Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Annual Report, for example, Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance Report and Shareholder's Information, but does not include the consolidated financial statements, standalone financial statements and our auditors' report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

The other information is expected to be made available to us after the date of this auditors' report. When we read the other information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group in accordance with the Ind AS and other accounting principles generally accepted in India. The respective Board of Directors of the Companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the Consolidated financial statements, the respective Board of Directors of the Companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of the Group.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Group has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material

uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated financial statements may be influenced. We consider quantitative materiality and qualitative factors in:

(i) planning the scope of our audit work and in evaluating the results of our work; and

(ii) to evaluate the effect of any identified misstatements in the consolidated financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

We did not audit the financial statements of one subsidiary, whose financial statements reflect total assets of Rs. 3,284.32 lakhs as at 31 March, 2020, total revenues of Rs. 4,331.89 lakhs and net cash outflows amounting to Rs. 163.81 lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditor whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary, is based solely on the reports of the other auditor.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditor.

Report on Other Legal and Regulatory Requirements

1. As required by section 143(3) of the Act, based on our audit we report that:

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.

(b) In our opinion, proper books of account as required by law have been kept so far as it appears from our examination of those books and the report of the other auditor.

(c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Consolidated Other Comprehensive Income), Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flow dealt with by this Report are in agreement with the books of account maintained.

(d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

(e) On the basis of written representations received from the directors of the Holding Company as on 31 March, 2020 and taken on record by the Board of Directors of the Holding Company and the report of the statutory auditor of its subsidiary, none of the directors is disqualified as on 31 March, 2020 from being appointed as a director in terms of section 164 (2) of the Act.

(f) With respect to the adequacy of the internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in Annexure 'A'.

(g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Holding Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

(h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:

i. The Consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group – Refer Note 38 to the Consolidated financial statements;

ii. The Group did not have any long term contracts including any derivative contracts for which there were any material foreseeable losses;

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its Subsidiary.

For B R Maheswari & Co LLP
Chartered Accountants
Firm's Registration No. 001035N/N500050



Sanjay Nath
Partner
Membership No.082700

Place: New Delhi
Date: 30 June, 2020
UDIN:20082700AAAANL3459

Annexure 'A' to the Independent Auditors' Report

(Referred to in Paragraph 1(f) under the heading "Report on other legal and regulatory requirements" of our report of even date)

Report on the Internal Financial Controls under clause (i) of sub section 3 of section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Raunaq EPC International Limited ("the Holding Company") and its Subsidiary as of 31 March, 2020 in conjunction with our audit of the consolidated financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Group are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of consolidated financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Holding Company and its Subsidiary, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March, 2020 based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matters

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to one subsidiary Company, is based on the corresponding report of the auditor of such Company incorporated in India.

For B R Maheswari & Co LLP
Chartered Accountants
Firm's Registration No. 001035N/N500050



Sanjay Nath
Partner
Membership No.082700

Place: New Delhi
Date: 30 June, 2020
UDIN:20082700AAAANL3459

CONSOLIDATED BALANCE SHEET

AS AT 31 MARCH, 2020

(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	Note No.	As at 31 March, 2020	As at 31 March, 2019
ASSETS			
Non-Current Assets			
Property, Plant and Equipment	3	1,817.54	1,453.57
Capital Work in Progress	3	6.62	38.18
Intangible Assets	4	6.38	19.18
Financial Assets			
a. Investments	5	60.54	499.49
b. Loans And Advances	6	20.40	20.74
c. Trade Receivables	7	227.63	2,299.03
d. Other Financial Assets	8	213.50	252.99
Deferred Tax Assets (Net)	9	180.26	471.47
Total Non-Current Assets		**2,532.87**	**5,054.65**
Current Assets			
Inventories	10	516.87	470.05
Financial Assets			
a. Trade Receivables	11	3,627.90	3,505.44
b. Cash And Cash Equivalents	12	35.65	150.59
c. Bank Balances Other Than (B) Above	13	267.09	628.34
d. Loans And Advances	14	44.17	13.63
e. Other Financial Assets	15	9.95	14.29
Current Tax Assets	16	137.39	104.44
Other Current Assets	17	468.34	675.53
Total Current Assets		**5,107.36**	**5,562.31**
Total Assets		**7,640.23**	**10,616.96**
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	18	334.32	334.32
Other Equity	19	1,171.38	3,337.74
Total Equity		**1,505.70**	**3,672.06**
Liabilities			
Non-Current Liabilities			
Financial Liabilities			
a. Borrowings	20	1,277.60	576.36
Provisions	21	64.27	76.96
Total Non-Current Liabilities		**1,341.87**	**653.32**
Current Liabilities			
Financial Liabilities			
a. Borrowings	22	516.61	754.51
b. Trade Payables	23		
Total Outstanding Dues of Micro Enterprises and Small Enterprises		83.04	-
Total Outstanding Dues of other than Micro Enterprises and Small Enterprises		2,800.83	4,117.20
c. Other Financial Liabilities	24	376.62	344.77
Other Current Liabilities	25	685.00	747.00
Provisions	26	330.56	328.10
Total Current Liabilities		**4,792.66**	**6,291.58**
Total Liabilities		**6,134.53**	**6,944.90**
Total Equity and Liabilities		**7,640.23**	**10,616.96**
Significant accounting policies and notes to consolidated financial statements	1-49		

This is the Consolidated Balance Sheet referred to in our report of even date.

For B R Maheswari & Co LLP
Chartered Accountants
Firm's Registration No. 001035N/N500050

Sanjay Nath
Partner
Membership No. 082700

Date: 30 June, 2020

For and on behalf of the Board of Directors

Surinder Paul Kanwar
Chairman and Managing Director
(DIN: 00033524)

Sachit Kanwar
Joint Managing Director
(DIN: 02132124)

Sameer Kanwar (DIN: 00033622)
Dr. Sanjeev Kumar (DIN: 00364416)
P.K. Mittal (DIN: 00165315)
Seethalakshmi Venkataraman (DIN: 07156898)
Rajiv Chandra Rastogi (DIN: 00035460)
Naresh Kumar Verma (DIN: 07087356)
Directors

Rajan Malhotra
Chief Executive Officer
(PAN: AAEPM3206C)

Himanshu Goyal
Chief Financial Officer
(PAN: BUCPG9157M)

Vartika Malhotra
Company Secretary
(PAN: CQUPM5658Q)

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED 31 MARCH, 2020

(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	Note No.	For the Year ended 31 March, 2020	For the Year ended 31 March, 2019
Revenue from operations	27	6,167.61	9,281.69
Other income	28	386.28	601.36
Total revenue/income		**6,553.89**	**9,883.05**
EXPENSES			
a. Cost of material consumed	29	3,645.80	6,199.35
b. Changes in inventories of finished goods & work-in-progress	29A	(45.09)	9.79
c. Employee benefits expenses	30	912.39	1,167.14
d. Finance cost	31	423.54	462.45
e. Depreciation and amortization expenses	32	181.22	154.59
f. Irrecoverable balances written off		687.05	-
g. Allowance for expected credit loss		559.27	14.17
h. Decrease in Fair value of Investment		399.92	-
i Other expenses	33	1,676.28	2,419.63
Total expenses		**8,440.38**	**10,427.12**
Profit /(Loss) before tax		(1,886.49)	(544.07)
Income tax expenses			
a. Current tax		-	-
b. Tax expense related to prior period		-	-
Net current tax	35	**-**	**-**
Deferred tax-charge/(credit)	35	291.17	(82.58)
Total tax expense		**291.17**	**(82.58)**
Profit/(Loss) for the year		**(2,177.66)**	**(461.49)**
Other Comprehensive Income			
a. Items that may be reclassified to profit and loss			
Income tax effect		-	-
		-	**-**
b. Items that will not be reclassified to Profit and Loss			
Re-measurement gains/(losses) on defined benefit plan		11.33	22.08
Income tax effect		(0.04)	(5.74)
		11.29	**16.34**
Other comprehensive income for the year (net of tax) (a+b)		**11.29**	**16.34**
Total comprehensive income for the year		**(2,166.37)**	**(445.15)**
Earning per equity share of [nominal value per share ₹ 10/- (31 March, 2019 : ₹ 10/-)]			
Basic earning per share	34	(65.14)	(13.80)
Diluted earning per share	34	(65.14)	(13.80)
Significant accounting policies and notes to consolidated financial statements	1-49		

This is the Consolidated Statement of Profit and Loss referred to in our report of even date.

For and on behalf of the Board of Directors

For B R Maheswari & Co LLP
Chartered Accountants
Firm's Registration No. 001035N/N500050

Surinder Paul Kanwar
Chairman and Managing Director
(DIN: 00033524)

Sachit Kanwar
Joint Managing Director
(DIN: 02132124)

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Naresh Kumar Verma (DIN: 07087356)
Directors

Sanjay Nath
Partner
Membership No. 082700

Rajan Malhotra
Chief Executive Officer
(PAN: AAEPM3206C)

Himanshu Goyal
Chief Financial Officer
(PAN: BUCPG9157M)

Vartika Malhotra
Company Secretary
(PAN: CQUPM5658Q)

Date: 30 June, 2020

CONSOLIDATED STATEMENT OF CASH FLOW

FOR THE YEAR ENDED 31 MARCH, 2020

(All amounts in ₹ Lakhs, unless otherwise stated)

	Particulars	For the year ended 31 March, 2020	For the year ended 31 March, 2019
A.	**CASH FLOW FROM OPERATING ACTIVITIES:**		
	Profit/(Loss) before tax	(1,886.49)	(544.07)
	Adjustments for:		
	Net gain on fair value of financial assets through statement of profit & loss	399.92	(6.01)
	Expected credit loss	559.27	14.17
	Depreciation and amortization	181.22	154.59
	Loss on sale of fixed assets	4.36	7.64
	Interest and other charges	416.67	458.45
	Interest income	(41.99)	(58.74)
	Profit on sale of Asset	(0.06)	(3.18)
	Operating profit before working capital changes	**(367.10)**	**22.85**
	Changes in working capital		
	Adjustments for (increase)/decrease in operating assets:		
	Trade receivables	(644.00)	121.11
	Inventories	(46.82)	185.73
	Long term loans & advances	0.34	(1.91)
	Short term loans & advances	(30.54)	3.92
	Non-current trade receivables	2,071.40	128.86
	Other current financial assets	4.34	(0.90)
	Other non current financial assets	39.49	(31.01)
	Other current assets	178.06	(451.21)
	Adjustments for increase/(decrease) in operating liabilities:		
	Trade payables	(1,233.35)	498.85
	Provisions	1.09	58.96
	Other current financial liabilities	(5.06)	(19.10)
	Other current liabilities	(26.71)	(98.06)
	Cash generated from operations	**(58.85)**	**418.10**
	Direct Taxes paid (net)	(1.41)	(1.01)
	Net cash from/(used) in operating activities	**(60.26)**	**417.09**
B.	**CASH FLOW FROM INVESTING ACTIVITIES**		
	Purchase of fixed assets	(58.14)	(76.85)
	Sale of fixed assets	9.04	17.27
	Interest received	41.99	58.74
	Investment in deposits	359.91	(56.78)
	Net cash from/(used) in investment activities	**352.80**	**(57.63)**
C.	**CASH FLOW FROM FINANCING ACTIVITIES**		
	Proceeds from long term borrowings	231.16	227.94
	Proceeds/(repayments) from short term borrowings	(199.05)	(100.04)
	Repayment of long term borrowings	(22.91)	(24.12)
	Interest and other charges paid	(416.67)	(458.45)
	Dividend including dividend distribution tax paid	(1.34)	(1.63)
	Net cash from/(used) in financing activities	**(408.81)**	**(356.31)**
	Net increase/(decrease) in cash and cash equivalents	(116.28)	3.14
	Opening balance of cash and cash equivalents	160.23	157.09
	Closing balance of cash and cash equivalents	**43.95**	**160.23**

CONSOLIDATED STATEMENT OF CASH FLOW

FOR THE YEAR ENDED 31 MARCH, 2020.... CONTD.

RECONCILIATION OF CASH AND CASH EQUIVALENTS AS PER THE CASH FLOW STATEMENT

(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars		As at 31 March, 2020	As at 31 March, 2019
(a)	Cash and cash equivalents as per above comprise of the following:		
	Cash on hand	1.29	0.91
	Balance with scheduled banks:		
	in Current accounts	42.66	159.32
Cash and cash equivalents at the end of the year		**43.95**	**160.23**

(b) The above Cash flow statement is prepared as per "Indirect method" specified in Ind AS 7 "Statement of Cash Flows".

This is the Consolidated Statement of Cash Flow referred to in our report of even date.

For B R Maheswari & Co LLP
Chartered Accountants
Firm's Registration No. 001035N/N500050

Sanjay Nath
Partner
Membership No. 082700

Date: 30 June, 2020

For and on behalf of the Board of Directors

Surinder Paul Kanwar
Chairman and Managing Director
(DIN: 00033524)

Sachit Kanwar
Joint Managing Director
(DIN: 02132124)

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Chief Financial Officer
(PAN: BUCPG9157M)

Vartika Malhotra
Company Secretary
(PAN: CQUPM5658Q)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

A. Equity Share Capital

(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	Notes	Amount
As at 31 March, 2019	18	334.32
Change in equity share capital		-
As at 31 March, 2020	18	334.32

B. Other Equity

Particulars	Notes	Reserves and Surplus				Total Other Equity
		Capital Reserve	Securities Premium Reserve	General Reserve	Retained Earnings	
Balance at 01 April, 2018		0.67	162.43	1,525.27	2,094.52	3,782.88
Profit for the year		-	-	-	(461.49)	(461.49)
Total comprehensive income for the year	19	**0.67**	**162.43**	**1,525.27**	**1,633.03**	**3,321.39**
Other transactions						
Remeasurement of defined benefit plans (net of tax)		-	-	-	16.34	16.34
Balance at 31 March, 2019	19	**0.67**	**162.43**	**1,525.27**	**1,649.37**	**3,337.74**
Balance at 01 April, 2019		0.67	162.43	1,525.27	1,649.37	3,337.74
Profit for the year		-	-	-	(2,177.66)	(2,177.66)
Total comprehensive income for the year	19	**0.67**	**162.43**	**1,525.27**	**(528.29)**	**1,160.08**
Other transactions						
Remeasurement of defined benefit plans (net of tax)		-	-	-	11.29	11.29
Balance at 31 March, 2020	19	**0.67**	**162.43**	**1,525.27**	**(517.00)**	**1,171.38**

This is the Consolidated Statement of Changes in Equity referred to in our report of even date.

For B R Maheswari & Co LLP
Chartered Accountants
Firm's Registration No. 001035N/N500050

Sanjay Nath
Partner
Membership No. 082700

Date: 30 June, 2020

For and on behalf of the Board of Directors

Surinder Paul Kanwar
Chairman and Managing Director
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Vartika Malhotra
Company Secretary
(PAN: CQUPM5658Q)

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Note	Particulars

1. CORPORATE OVERVIEW

Raunaq EPC International Limited ('the Company') is engaged in Engineering Contracting Business, established in 1965 and primarily in the service of core infrastructural and industrial sectors in India, namely Power, Chemical, Hydro-carbon, Metal and Automobile sectors and manufacturing of Automobile components through its Subsidiary. The Company is a Limited Company and has its Registered Office in Haryana, India. Its shares are listed on the BSE Limited. The Company, its Subsidiary collectively referred to as the "Group" here under.

These consolidated financial statements are approved and adopted by the Board of Directors of the Parent Company in their meeting held on 30 June, 2020.

2. SIGNIFICANT ACCOUNTING POLICIES

This Note provides a list of the significant accounting policies adopted in the preparation of these Consolidated Financial Statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

a. STATEMENT OF COMPLIANCE

The consolidated financial statements of the Group have been prepared in compliance with Indian Accounting Standards (Ind AS) as prescribed under Section 133 of the Companies Act, 2013 (the Act) read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 (as amended) and other relevant provisions of the Act.

b. These consolidated financial statements have been prepared on a historical cost basis except for the following:-

- Certain Financial Assets and liabilities measured at fair value.
- Defined benefit plans- Plan assets measured at fair value.

c. New and amended standard:

"The Company applied Ind AS 116 Leases for the first time. The nature and effect of the changes as a result of adoption of this new accounting standard is described below.

Several other amendments have been applied for the first time for the year ending 31 March 2020, but do not have a material impact on the financial statements of the Company. The Company has not adopted any standards, amendments earlier that have been issued but are not yet effective/notified."

"Ind AS 116 Leases:

Ind AS 116 supersedes Ind AS 17 Leases, including Appendix A of Ind AS 17 Operating Leases-Incentives, Appendix B of Ind AS 17 Evaluating the Substance of Transactions Involving the Legal Form of a Lease and Appendix C of Ind AS 17, Determining whether an Arrangement contains a Lease. Therefore, Ind AS 116 did not have an impact for leases where the Company is the lessor.

The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise most leases on the balance sheet. Lessor accounting under Ind AS 116 is substantially unchanged from Ind AS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles as in Ind AS 17.

The Company adopted Ind AS 116 using the modified retrospective method of adoption with the date of initial application of 01 April, 2019. Under this method, the standard is applied retrospectively with the cumulative effect of initially applying the standard recognised at the date of initial application.

The Company elected to use the transition practical expedient to not reassess whether a contract is or contains a lease at 01 April, 2019. Instead, the Company applied the standard only to contracts that were previously identified as leases applying Ind AS 17 and Appendix C to Ind AS 17 at the date of initial application. The Company also elected to use the recognition exemptions for lease contracts that, at the commencement date, have a lease term of 12 months or less and do not contain a purchase option (short-term leases), and lease contracts for which the underlying asset is of low value (low-value assets).

2.2 FUNCTIONAL AND PRESENTATION CURRENCY

These consolidated financial statements are presented in Indian Rupees (INR) which is also the functional currency of each Group's entities and all amount are rounded to the nearest lakhs and two decimals thereof, except as stated otherwise.

Note	Particulars

2.3 USE OF ESTIMATES

The preparation of consolidated financial statements in accordance with Ind AS requires management to make judgement, estimates and assumptions that affect the application of accounting policies and the reported account of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to the accounting estimates are recognized in the period in which the estimates are known or materialized.

2.4 REVENUE RECOGNITION

a. REVENUE FROM CONSTRUCTION CONTRACT

In case of Parent Company, contract revenue is recognized under the fixed price contract. Contract Revenue is recognized in the year in which the services are rendered. In fixed price contract, revenue is recognised based on actual service provided to the end of the reporting period as a proportion of the total services to be provided. This is determined based on the actual work done approved by the customer.

Estimates of revenue, costs or extent of progress towards completion are revised if circumstances change. Any resulting increase or decrease in estimated revenue or costs are reflected in profit or loss in the period in which the circumstances that give rise to the revision become known to the management. Provision for expected loss is recognized immediately when it is probable that the total estimated contract costs will exceed the total contract revenue.

When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognized only to the extent of contract costs incurred that are likely to be recoverable.

Variations in contract work, claims and incentive payments are included in contract revenue to the extent that may have been agreed with the customer and are capable of being reliably measured and received from customer.

b. REVENUE FROM SALE OF GOODS

Revenue from sale of goods and rendering of services including export benefits thereon are recognised at the point in time when control of the goods or services are transferred to the customer, generally on delivery of goods or rendering of services.

Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, price concessions and incentives, if any.

The Company provides normal warranty provisions for manufacturing defects on all its product sold, in line with industry practice. The Company does not provide any extended warranty or maintenance contracts to its customers.

c. OTHER ITEMS OF REVENUE

Interest income is recognised on a time proportion basis taking into account the amount outstanding and the effective interest rate method.

Dividend income is recognised when the right to receive the payment is established.

Other items like extra items claim, insurance claims, any receipts on account of pending income tax, sales tax, GST and excise duty assessments, where quantum of accruals cannot be ascertained with reasonable certainty, are recognized as income only when revenue is virtually certain which generally coincides with receipts.

2.5 PROPERTY, PLANT AND EQUIPMENT

Property, Plant and Equipment are carried at cost net of tax/duty credit availed less accumulated depreciation and accumulated impairment losses, if any. Cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance are charged to the Statement of Profit and Loss during the reporting period in which they are incurred.

The items of property, plant and equipment which are not yet ready for use are disclosed as Capital work-in-progress and are carried at historical cost.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its recoverable amount.

Property, Plant and Equipment are eliminated from the financial statements, either on disposal or when retired from active use.

Note	Particulars

Gains and losses on disposal or retirement of assets are determined by comparing proceeds with carrying amount. These are recognised in the Statement of Profit and Loss.

Depreciation is calculated using the straight line method to allocate their cost, net of their residual values on the basis of useful life prescribed in Schedule II to the Act, which are also supported.

The residual values are not more than 5% of the original cost of the asset.

The residual values, useful lives and method of depreciation of property, plant and equipment are reviewed at end of each financial year and any changes there-in are considered as change in estimate and accounted prospectively.

2.6 INTANGIBLE ASSETS (OTHER THAN GOODWILL)

Intangible assets (Computer Software) are stated at cost less accumulated amortization and impaired loss, if any. Computer Software for internal use which is primarily acquired is capitalized. Subsequently, costs associated with maintaining such software are recognised as expense as incurred. Cost of software includes licenses fees, cost of implementation, system integration services etc. where applicable.

The Group amortises intangible assets (Computer Software) with a finite useful life using the straight line method over a period of (3/5 years) in Parent and (6 years) in subsidiary.

2.7 IMPAIRMENT OF ASSETS

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing of an asset is required, the Group estimates the asset recoverable amount. An asset's recoverable amount is the higher of an asset or Cash-generating unit (CGU) fair value less cost of disposal and its fair value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of the time value of money and the risks specific to the asset. In determining the fair value less costs of disposal, recent market transactions are taken in account. If no such transactions can be identified, an appropriate valuation model is used. Impaired losses are recognised in statement of profit and loss.

2.8 INVENTORIES

Raw material, stores, work-in-progress and traded goods are stated at the lower of cost and net realisable value. However, these items are considered to be realisable at cost if the finished products in which they will be used, are expected to be sold at or above cost. Cost of inventories comprises all cost of purchase and other cost incurred in bringing them to their present location and condition. The cost, in general, is determined under First in First Out (FIFO) Method in Parent Company and under weighted average method in Subsidiary Company.

Contract cost incurred related to future activity of the contract are recognised as an asset provided it is probable that they will be recovered during the contract price. Such cost represent the amount due from customer and are often classified as contract work-in-progress.

2.9 FOREIGN CURRENCY TRANSACTIONS

Transactions in foreign currencies are initially recorded by the Group at rates prevailing on the date of the transaction. Subsequently monetary items are translated at closing exchange rates of balance sheet date and the resulting exchange difference recognised in Profit and Loss. Difference arising on settlement of monetary items are also recognised in profit or loss.

Non-monetary items that are carried in terms of historical cost in a foreign currency are translated using the exchange rate at the dates of the transaction.

2.10 EARNINGS PER SHARE

Basic earning per share is calculated by dividing net profit or loss for the period attributable to equity shareholders of the Parent Company by the weighted average number of equity shares outstanding during the period. Earnings considered in ascertaining the Group's earning per share is the net profit or loss for the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares, if any, that have changed the number of equity shares outstanding, without a corresponding change in resources. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders of the Parent Company and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

Note	Particulars

2.11 BORROWING COSTS

Borrowing cost specifically relating to the acquisition or construction of a qualifying asset that necessarily takes a substantial period of time to get ready for its intended use is capitalized as part of the cost of the asset. All other borrowing costs are charged to revenue in the period in which it is incurred. Borrowing costs consists of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange difference to the extent regarded as an adjustment to the borrowing cost.

Finance costs will normally include:

i) interest expense calculated using the effective interest rate method as described in Ind AS 109.

ii) the unwinding of the effect of discounting provisions.

2.12 PROVISIONS AND CONTINGENT LIABILITIES

Provisions are recognised when the Group has a present legal or constructive obligation as a result of a past event and it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of management's best estimates of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is pre-tax rate that reflects current market assessments of the time value of money and the risk specific to the liability is not considered. However, a disclosure for contingent liabilities is made when there is a possible obligation arising from past event, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group or a present obligation that arises from past events where it is either not probable that an outflow of resources embodying economic benefits will be required to settle or a reliable estimate of the amount cannot be made.

2.13 DIVIDEND

Dividend on equity shares are recorded as a liability on the date of approval by the shareholders and interim dividend are recorded as a liability on the date of declaration by the Board of Directors.

2.14 CASH AND CASH EQUIVALENTS

For the purpose of the statement of cash flows, cash and cash equivalents consists of cash on hand and at bank, deposits held at call with banks, other short-term highly liquid investment with original maturities of three months or less that are readily convertible to a known amount of cash and which are subject to an insignificant risk of changes in value.

2.15 EMPLOYEE BENEFITS

a. Short term employee benefits are recognised as an expense in the statement of profit and loss of the year in which the related service are rendered.

b. Compensated absence is accounted for using the project unit credit method, on the basis of actuarial valuation carried out by third party actuaries at each Balance Sheet date. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to profit and loss in the period in which they arise.

c. Contribution payable by the Group to the concerned government authorities in respect of provident fund, family pension fund and employee state insurance are defined contribution plans. The contributions are recognised as an expense in the Statement of Profit and Loss during the period in which the employee renders the related service. The Group does not have any further obligation in this respect, beyond such contribution.

d. In Parent Company, certain employees are participated in a defined contribution plan of superannuation. The Parent Company has no further obligation to plan beyond its monthly contribution which are periodically contributed to a trust fund, the corpus of which is invested with the Life Insurance Corporation of India. There is no such scheme in the subsidiary Company.

e. The cost of providing gratuity, a defined benefit plan, is determined using the Projected Unit Credit Method, on the basis of actuarial valuation carried out by third party actuaries at each Balance Sheet date. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to other comprehensive income in the period in which they arise. Other costs are accounted in statement of profit and loss.

Parent Company operates a defined benefit plan for gratuity, which requires contributions to be made to a separately administered fund. The fund is managed by trust. The corpus of which is invested with the Life Insurance Corporation of India. Gratuity is unfunded in case of Subsidiary Company.

Note	Particulars

2.16 LEASES

Leases under which the Group assumes substantially all the risks and rewards of ownership are classified as finance leases. When acquired, such assets are capitalized at fair value or present value of the minimum lease payments at the inception of the lease, whichever is lower. Lease payments under operating leases are recognized as an expense on a straight line basis in net profit in the Statement of Profit and Loss over the lease term.

2.17 INCOME TAXES

Income tax expenses comprises current and deferred income tax. Income tax expenses are recognised in the Statement of Profit and Loss except that it relates to items recognised directly in equity, in those case it is recognised in 'Other Comprehensive Income'. Current Income tax for current and prior periods is recognised at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the balances sheet date.

Deferred income tax assets and liabilities are recognised for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Deferred income tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date and are expected to apply to taxable income in the year in which those temporary differences are expected to be recovered or settled. The effect of changes in tax rates on deferred income tax assets and liabilities is recognised as income or expense in the period that includes the enactment or the substantive enactment date. A deferred income tax asset is recognised to the extent that it is probable that future profit will be available against which the deductible temporary differences and tax losses can be utilized. Deferred income taxes are not provided on the undistributed earnings of subsidiary where it is expected that earnings of the subsidiary will not be distributed in foreseeable future. The Group off sets current tax assets and Current tax liabilities, where it has a legally enforceable right to set off the recognised amounts and where it indents either to settle on a net basis, or to realize the assets and settle the liability simultaneously. The income tax provision of the interim period is made based on the best estimate of the annual average tax rate expected to be applicable for the full financial year.

2.18 FINANCIAL INSTRUMENTS

A financial instrument is any contract that give rise to a financial asset of one entity and financial liability or equity instrument of another entity.

a. Financial Assets

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit and loss, transaction costs that are attributable to the acquisition of the financial assets.

Subsequent measurement

Financial assets are subsequently measured at amortized cost or fair value through profit or loss depending on its business model for managing those financial assets and the asset's contractual cash flow characteristics.

Derecognition

The Group derecognizes a financial asset only when the contractual rights to the cash flows from the asset expires or it transfers the financial asset and substantially all the risks and rewards of ownership of the assets to another entity.

Impairment of Financial Assets

The Parent Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the financial assets. If credit risk has not increased significantly 12 months ECL is used to provide the impairment loss. If credit risk has increased significantly lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognizing impairment loss allowance based on 12 month ECL.

In Subsidiary Company, an impairment analysis is performed at each reporting date on an individual basis for each financial asset.

ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the entity expects to receive (i.e. all cash shortfalls), discounted at the original EIR.

ECL impairment loss allowance (or reversal) recognised during the period is recognised as income/expenses in the statement of profit & loss.

b. Financial Liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit and loss, loans and borrowings or payable.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The financial liabilities include trade and other payables, loans and borrowings including bank overdrafts.

Subsequent measurement

The measurement of financial liabilities depends on their classification described below:

Financial liabilities at fair value through profit and loss

Financial liabilities at fair value through profit or loss includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships. All change in the fair value of such liability are recognised in the statement of profit and loss.

Loans and borrowings

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortized costs using EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognized as well as through the EIR amortization process.

Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires.

2.19 SEGMENT REPORTING

Operating systems are reported in a manner consistent with the internal reporting provided to the chief operating decision maker (CODM). The Managing Director has been identified as CODM and he is responsible for allocating the resources, assess the financial performance and position of the Group and make strategic decision. Refer note 37 for segment information presented.

2.20 CRITICAL ESTIMATES AND JUDGEMENTS

The preparation of the financial statements in conformity with Ind AS requires the Management to make estimates, judgement and assumptions which affect the reported amount of assets and liabilities as at the balance sheet date, reported amount of revenue and expenses for the year and disclosure of contingent asset and liabilities as at the balance sheet date.

The areas involving critical estimates or judgement are:

i. Critical estimates

a. Measurement of defined benefit obligations – Note 43

b. Estimated useful life of intangible assets, property, plant and equipment – Note 2.5 and 2.6

c . Estimated fair value of financial instruments – Note 45

d . Recognition of revenue – Note 2.4

e. Provision for expected credit losses – Note 40

ii. Significant Judgements

a. Designating financial asset/liability fair value through profit or loss so as to reduce/eliminate accounting mismatch.

b. Probability of an outflow of resources to settle an obligation resulting in recognition of provision.

The estimates, judgement and assumptions used in the financial statements are based upon Management's evaluation of relevant facts and circumstances and as at the date of financial statements. Accounting estimates could differ from period to period and accordingly appropriate changes in estimates are made as the management becomes aware of the changes. Actual results could differ from the estimates.

Note 3 : Property, Plant & Equipment

(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	Land	Plant and machinery	Tools & dies	Tractor	Office equipment	Furniture and fixtures	Electricals fittings	Electric installation	Vehicles	Computers	Lease Hold improvements	Lease Hold Buildings	Total	Capital work in progress
As at 31 March, 2019														
Gross carrying amount														
Opening gross carrying amount	534.34	811.17	148.59	0.08	3.89	85.07	2.42	14.79	200.74	26.42	-	-	1,827.51	5.18
Addition	-	13.78	17.77	-	1.81	0.31	-	-	-	1.20	8.23	-	43.10	41.05
Disposals/transfers	-	34.55	-	-	-	13.46	-	-	-	0.04	-	-	48.05	8.05
Closing gross carrying amount	**534.34**	**790.40**	**166.36**	**0.08**	**5.70**	**71.92**	**2.42**	**14.79**	**200.74**	**27.58**	**8.23**	**-**	**1,822.56**	**38.18**
Accumulated depreciation														
Opening accumulated depreciation	-	117.88	64.08	-	1.80	19.14	1.59	3.84	29.61	12.18	-	-	250.12	-
Depreciation charged during the year	-	68.91	33.48	-	0.71	9.19	0.13	1.92	25.81	4.71	0.31	-	145.18	-
Disposals/transfers	-	18.78	-	-	-	7.50	-	-	-	0.04	-	-	26.32	-
Closing accumulated depreciation	**-**	**168.01**	**97.56**	**-**	**2.51**	**20.83**	**1.72**	**5.76**	**55.42**	**16.85**	**0.31**	**-**	**368.98**	**-**
Net carrying amount	**534.34**	**622.39**	**68.80**	**0.08**	**3.19**	**51.09**	**0.70**	**9.03**	**145.32**	**10.73**	**7.92**	**-**	**1,453.57**	**38.18**
As at 31 March, 2020														
Gross carrying amount														
Opening gross carrying amount	534.34	790.39	166.36	0.08	5.70	71.92	2.42	14.79	200.74	27.58	8.23	-	1,822.55	38.18
Addition	-	60.71	15.72	-	2.21	3.93	-	-	-	2.84	2.61	456.04	544.05	11.71
Disposals/transfers	-	21.08	-	0.08	2.47	11.18	-	-	3.65	11.78	-	-	50.24	43.27
Closing gross carrying amount	**534.34**	**830.03**	**182.08**	**-**	**5.44**	**64.67**	**2.42**	**14.79**	**197.09**	**18.64**	**10.84**	**456.04**	**2,316.36**	**6.62**
Accumulated depreciation														
Opening accumulated depreciation	-	168.01	97.56	-	2.51	20.83	1.72	5.76	55.42	16.85	0.31	-	368.98	-
Depreciation charged during the year	-	72.34	21.70	-	1.12	8.63	-	1.93	25.79	2.92	2.02	30.92	167.37	-
Disposals/transfers	-	12.54	-	-	2.30	9.71	-	-	3.33	9.63	-	-	37.52	-
Closing accumulated depreciation	**-**	**227.81**	**119.26**	**-**	**1.33**	**19.75**	**1.72**	**7.69**	**77.88**	**10.14**	**2.33**	**30.92**	**498.83**	**-**
Net carrying amount	**534.34**	**602.22**	**62.82**	**-**	**4.11**	**44.92**	**0.70**	**7.10**	**119.21**	**8.50**	**8.51**	**425.12**	**1,817.53**	**6.62**

(All amounts in ₹ Lakhs, unless otherwise stated)

Note 4 : Intangible Assets

Particulars	Software	Total
As at 31 March, 2019		
Gross carrying amount		
Opening gross carrying amount	52.42	52.42
Addition	0.77	0.77
Disposals/transfers	-	-
Closing gross carrying amount	**53.19**	**53.19**
Accumulated Depreciation		
Opening accumulated depreciation	24.59	24.59
Depreciation charged during the year	9.42	9.42
Disposals/transfers	-	-
Closing accumulated depreciation	**34.01**	**34.01**
Net carrying amount	**19.18**	**19.18**
As at 31 March, 2020		
Gross carrying amount		
Opening gross carrying amount	53.19	53.19
Addition	1.70	1.70
Disposals/transfers	12.51	12.51
Closing gross carrying amount	**42.38**	**42.38**
Accumulated Depreciation		
Opening accumulated depreciation	34.01	34.01
Depreciation charged during the year	13.87	13.87
Disposals/transfers	11.88	11.88
Closing accumulated depreciation	**36.00**	**36.00**
Net carrying amount	**6.38**	**6.38**

Note 5 : Non-current Investments

Particulars	As at 31 March, 2020	As at 31 March, 2019
Investment in Others		
Quoted		
At fair value through profit and loss (FVPL) 2,36,097 (31 March, 2019 : 2,93,300) Equity shares of ₹ 10/- each fully paid up in Bharat Gears Ltd.	60.54	499.49
Total	**60.54**	**499.49**
Aggregate amount of Quoted Investments and market value thereof	60.54	499.49

(All amounts in ₹ Lakhs, unless otherwise stated)

Note 6 : Non-current Loans and Advances

Particulars	As at 31 March, 2020	As at 31 March, 2019
Capital advances	3.06	-
Security deposit		
Unsecured, considered good*	17.34	20.74
Total	**20.40**	**20.74**

* In March, 2019 ₹ 5.00 lakhs is given under protest against excise matter disputed in High Court.

Note 7 : Non-current Trade Receivables

Particulars	As at 31 March, 2020	As at 31 March, 2019
Trade receivables including retention money	227.63	2,299.03
Trade receivables which have significant increase in credit risk	17.71	76.51
Trade receivables - credit impaired	(17.71)	(76.51)
Total	**227.63**	**2,299.03**

Note 8 : Other Non-current Financial Assets

Particulars	As at 31 March, 2020	As at 31 March, 2019
Long Term Deposits with Banks with Maturity period more than 12 months	213.50	252.99
[Refer (a) below]		
Total	**213.50**	**252.99**

(a) ₹ 213.50 (31 March, 2019 : ₹ 252.99) held as Margin money against bank guarantees.

Note 9 : Deferred Tax Assets/(Liabilities) (Net)

Particulars	As at 31 March, 2020	Charged/ (credit) during the year	As at 31 March, 2019
Deferred tax assets on account of:			
a) Provision for doubtful advances	-	(0.14)	0.14
b) Employees Benefits	6.36	(23.23)	29.59
c) Income Tax losses	142.92	(237.80)	380.72
d) Unabsorbed Depreciation	77.24	(51.98)	129.22
e) Finance lease	0.31	0.31	-
f) Expected credit loss (ECL)	-	(19.89)	19.89
Total deferred tax assets	**226.83**	**(332.73)**	**559.56**
MAT credit entitlement			
Deferred tax liabilities on account of:			
a) Difference between book and tax depreciation	(46.57)	4.85	(51.42)
a) Income on Fair valuation of shares of Bharat Gears Limited	-	36.67	(36.67)
Total deferred tax liabilities	**(46.57)**	**41.52**	**(88.09)**
Total deferred tax (net)	**180.26**	**(291.21)**	**471.47**

(All amounts in ₹ Lakhs, unless otherwise stated)

Note 10 : Inventories

Particulars	As at 31 March, 2020	As at 31 March, 2019
Raw Material & Components	291.66	262.63
Stock-in trade-traded goods	96.87	82.07
Work-in progress	108.03	110.40
Stores Consumables	20.31	14.95
Total	**516.87**	**470.05**

Note 11 : Current Trade Receivables

Particulars	As at 31 March, 2020	As at 31 March, 2019
Unsecured considered good, unless otherwise stated		
Trade receivables	3,627.90	3,505.44
Trade receivables which have significant increase in credit risk	588.00	-
Trade receivables - credit impaired	(588.00)	-
Total	**3,627.90**	**3,505.44**

Note 12 : Cash and Cash Equivalents

Particulars	As at 31 March, 2020	As at 31 March, 2019
Balance with Banks		
In current account	34.36	149.68
Cash on hand	1.29	0.91
Total	**35.65**	**150.59**

Note 13 : Bank Balances Other than Cash and Cash Equivalents

Particulars	As at 31 March, 2020	As at 31 March, 2019
Other Balances		
Earmarked balances with banks for:		
Unpaid Dividends	8.30	9.64
Fixed deposits with various authorities		
Margin money against bank guarantees and others	258.79	618.70
Total	**267.09**	**628.34**

Note 14 : Current Loans and Advances

Particulars	As at 31 March, 2020	As at 31 March, 2019
Unsecured, Considered good		
Security Deposits	5.20	3.80
Loans and advances to employee	15.10	8.35
Duties & Taxes	22.14	0.23
Duty drawback receivable	0.24	0.48
Export incentive receivable	1.49	0.77
Total	**44.17**	**13.63**

Note 15 : Other Current Financial Assets

Particulars	As at 31 March, 2020	As at 31 March, 2019
Accrued interest on deposits with Banks and others	9.95	14.29
Total	**9.95**	**14.29**

(All amounts in ₹ Lakhs, unless otherwise stated)

Note 16 : Current Tax Assets

Particulars	As at 31 March, 2020	As at 31 March, 2019
Current Tax Assets (net of provision)	137.39	104.44
Total	**137.39**	**104.44**

Note 17 : Other Current Assets

Particulars	As at 31 March, 2020	As at 31 March, 2019
Unsecured considered good		
Prepaid Expenses	47.79	97.67
Advances recoverable in cash or in kind or for value to be received	159.31	259.56
Balance with Government authorities	255.44	318.30
Others	5.80	-
Total	**468.34**	**675.53**

Note 18 : Equity Share Capital

Particulars	As at 31 March, 2020		As at 31 March, 2019	
	No. of Shares	₹ in Lakhs	No. of Shares	₹ in Lakhs
Authorized:				
Equity shares of ₹ 10 each (31 March, 2019 ₹ 10 each)	35,000,000	3500.00	35,000,000	3500.00
Issued, Subscribed and Paid-up:				
Equity shares of ₹ 10 each (31 March, 2019 ₹ 10 each)	3,343,243	334.32	3,343,243	334.32
Total		**334.32**		**334.32**

The Parent Company has one class of equity share having a par value of ₹ 10/- per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Parent Company after distribution of all preferential amounts, in proportion to their shareholding.

Reconciliation of Shares Issued

As no fresh issue of shares or reduction in capital was made during the current year as well as during the previous period, hence there is no change in the opening and closing capital. Accordingly, reconciliation of share capital has not been given.

Details of Equity Shares held by shareholders holding more than 5% of the aggregate shares in the Parent Company

Particulars	As at 31 March, 2020		As at 31 March, 2019	
	No. of Shares	%	No. of Shares	%
Mr. Surinder Paul Kanwar	1,466,695	43.87	1,466,695	43.87
Strategic Capital Partners Private Limited	245,316	7.34	264,028	7.89
Soham Ashokkumar Shah	235,972	7.06	235,972	7.06

Note 19 : Other Equity

Particulars	Refer following items	As at 31 March, 2020	As at 31 March, 2019
Capital Reserve	19(a)	0.67	0.67
Securities Premium Reserve	19(b)	162.43	162.43
General Reserve	19(c)	1,525.27	1,525.27
Retained Earnings	19(d)	(516.99)	1,649.37
Total		**1,171.38**	**3,337.74**

(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	As at 31 March, 2020	As at 31 March, 2019
a. Capital Reserve-Balance at the beginning and end of the year	0.67	0.67
b. Securities Premium Reserve-Balance at the beginning and end of the year	162.43	162.43
c. General Reserve		
Balance at the beginning of the year	1,525.27	1,525.27
Add: Transferred from Retained Earnings	-	-
Balance at the end of the year	1,525.27	1,525.27
d. Retained Earnings		
Balance at the beginning of the year	1,649.37	2,094.52
Profit for the year	(2,177.66)	(461.49)
Remeasurement of defined benefit plans (net of tax)	11.29	16.34
Balance at the end of the year	(516.99)	1,649.37
Total	**1,171.38**	**3,337.75**

Nature and purpose of Reserves

Capital Reserve: Represents the reserves created as a result of forfeiture of shares of the Parent Company. Capital reserve will be utilized for issue of fully paid bonus shares.

Securities Premium Reserve: The amount received from share holders in excess of face value of the equity shares is recognised in Securities Premium Reserve and will be utilized as per provisions of the Companies Act, 2013.

General Reserve: The Parent Company has transferred a portion of the net profit before declaring dividend to general reserve pursuant to the earlier provision of Companies Act, 1956. Mandatory transfer to general reserve is not required under the Companies Act, 2013. General Reserve will be utilized as per provision of the Companies Act, 2013. The same is a free reserve and available for distribution.

Note 20 : Non-current Borrowings

Particulars	As at 31 March, 2020	As at 31 March, 2019
Secured Borrowings		
Term loans from Banks	31.56	56.36
Unsecured Borrowings		
1,25,000, 10% Non-Cumulative Redeemable Preference Shares of Rs. 100/- each fully paid up	125.00	125.00
Unsecured Financial Lease Obligations		
- Factory Sheds	456.04	-
Loan from Corporate		
- Companies under joint control	365.00	295.00
- Others	300.00	100.00
Total	**1,277.60**	**576.36**

Rupee Term Loans from Banks:

a. Term Loan from bank ₹ 31.56 lacs (31 March, 2019 : ₹ 56.36 lacs) was secured by way of hypothecation/exclusive charge on assets financed. Repayable along with interest at the rate of 8% p.a. in 60 monthly installments financed by HDFC Bank Ltd.

b. The preference shares are redeemable at par at any time before twenty years from the date of the allotment (i.e. 21-Sep-2015) in one or more tranches in accordance with Section 55 of the Companies Act, 2013.

c. Loan from Corporates : Repayable at the end of 5/3 years and interest is charged at the rate of 9% p.a/10% p.a.

d. Loan from others : Repayable at the end of 5 years and interest is charged at the rate of 9% p.a.

(All amounts in ₹ Lakhs, unless otherwise stated)

Note 21 : Non-current Provisions

Particulars	As at 31 March, 2020	As at 31 March, 2019
Provision for employee benefits		
a Provision for compensated absences	49.06	64.85
b Provision for Gratuity	15.21	12.11
Total	**64.27**	**76.96**

Note 22 : Current Borrowings

Particulars	As at 31 March, 2020	As at 31 March, 2019
Secured Borrowings		
Working capital loans repayable on demand from		
Bank - Cash credit (CC) [refer (i)]	204.48	609.83
NSIC RMA Account [refer (ii)]	95.00	94.68
Bank - Overdraft Facility (OD)[refer (iii)]	167.13	-
Unsecured Borrowings		
a. Loan from director	50.00	50.00
Total	**516.61**	**754.51**

Working capital loans repayment on demand from banks

(i) In case of Parent Company, Working capital loan from Banks were secured by first charge by way of hypothecation on entire current assets including stock, stores, trade receivables etc., and also 1st charge by way of hypothecation on movable fixed assets (other than those which are exclusively charged in favour of the respective lenders) ranking pari passu amongst the Banks on the point of security. In case of Subsidiary Company, Secured by first charge by way of hypothecation of stocks of raw materials, stock-in-process, finished goods, stores & spares and Book-Debts/receivables and advance to suppliers.

(ii) Secured against bank guarantee issued by Oriental Bank of Commerce.

Overdraft Facility from bank

(iii) Overdraft facility from bank are secured against the security of the Fixed deposit of Mr. Surinder Paul Kanwar, Chairman and Managing Director of the Company.

Note 23 : Trade Payables

Particulars	As at 31 March, 2020	As at 31 March, 2019
Total outstanding dues of micro enterprises and small enterprises	83.04	-
Total outstanding dues of Trade Payable other than micro enterprises and small enterprises	2,800.83	4,117.20
Total	**2,883.87**	**4,117.20**

(i) There were no amounts outstanding to be paid to micro and small enterprises registered under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED) except as disclosed above.

(ii) No interest is paid/payable during the year to any micro or small enterprise registered under the MSMED.

(iii) No amount of interest accrued and remaining unpaid at the end of the year and no amount of further interest remaining due and payable in succeeding years.

(iv) The above information takes into account only those suppliers who have responded to the enquiries made by the Company for this purpose.

(All amounts in ₹ Lakhs, unless otherwise stated)

Note 24 : Other Current Financial Liabilities

Particulars	As at 31 March, 2020	As at 31 March, 2019
Current maturities of long-term debt (Refer Note 20)	26.05	22.91
Unpaid dividend	8.30	9.64
Employee Dues	216.32	218.46
Creditors for expenses	71.20	53.29
Interest Payable	23.59	3.01
Payables on purchase of fixed assets & CWIP	5.90	12.20
Security deposit from customers	25.26	25.26
Total	**376.62**	**344.77**

Note 25 : Other Current Liabilities

Particulars	As at 31 March, 2020	As at 31 March, 2019
Statutory Dues	79.44	251.53
Contractually reimbursable expenses	23.49	19.24
Contract mobilization advances from customers	499.60	375.87
Customer credit balances	5.48	8.96
Other payables	76.99	91.40
Total	**685.00**	**747.00**

Note 26 : Current Provisions

Particulars	As at 31 March, 2020	As at 31 March, 2019
Provision for employee benefits		
Provision for compensated absences	29.66	34.68
Provision for Gratuity	29.66	7.79
Provision-others		
Provision for other outstanding liabilities	105.04	125.42
Provision for Turnover Discounts	94.65	106.25
Other Provisions	71.55	53.96
Total	**330.56**	**328.10**

Note 27 : Revenue from Operations

Particulars	For the Year ended 31 March, 2020	For the Year ended 31 March, 2019
Sales of service	1,853.13	4,627.58
Sales of product	4,221.53	4,544.51
Sale of Scrap	79.72	94.88
Others	13.23	14.72
Total	**6,167.61**	**9,281.69**

(All amounts in ₹ Lakhs, unless otherwise stated)

Note 28 : Other Income

Particulars	For the Year ended 31 March, 2020	For the Year ended 31 March, 2019
Interest income	41.99	58.74
Net Gain/(loss) on fair value of financial assets through Statement of Profit & loss (FVPL)	-	6.01
Amount received from revenue authorities	-	427.04
Foreign exchange fluctuation gain	2.12	1.53
Other non-operating income	342.17	108.04
Total	**386.28**	**601.36**

Note 29 : Cost of Materials Consumed

Particulars	For the Year ended 31 March, 2020	For the Year ended 31 March, 2019
Opening stock	305.71	342.33
Add: Purchases during the year	3,642.17	6,162.73
Less: Closing stock	302.08	305.71
Net material consumed	3,645.80	6,199.35
Total	**3,645.80**	**6,199.35**

Note 29A : Changes in Inventories of Finished Goods & Work-in-Progress

Particulars	For the Year ended 31 March, 2020	For the Year ended 31 March, 2019
Inventories (at the end of the year)		
- Finished goods	86.45	38.99
- Work-in-progress	108.03	110.40
Sub Total	**194.48**	**149.39**
Inventories (at the beginning of the year)		
- Finished goods	38.99	71.65
- Work-in-progress	110.40	87.53
Sub Total	**149.39**	**159.18**
Net (increase)/decrease	**(45.09)**	**9.79**

Note 30 : Employee Benefits Expenses

Particulars	For the Year ended 31 March, 2020	For the Year ended 31 March, 2019
a. Salaries and wages	808.67	1,004.34
b. Contributions to provident and other fund	45.80	62.00
c. Gratuity fund contribution (Refer note 43)	27.25	54.82
d. Staff welfare expenses	30.67	45.98
Total	**912.39**	**1,167.14**

(All amounts in ₹ Lakhs, unless otherwise stated)

Note 31 : Finance Cost

Particulars	For the Year ended 31 March, 2020	For the Year ended 31 March, 2019
a. Interest expenses on:		
Borrowings	238.90	293.84
Lease factory sheds	54.72	-
b. Other borrowing costs	129.92	168.61
(Bank and other financial charges)		
Total	**423.54**	**462.45**

Note 32 : Depreciation and Amortization Expenses

Particulars	For the Year ended 31 March, 2020	For the Year ended 31 March, 2019
Depreciation of property, plant and equipment	167.35	145.17
Amortization of intangible assets	13.87	9.42
Total	**181.22**	**154.59**

Note 33 : Other Expenses

Particulars	For the Year ended 31 March, 2020	For the Year ended 31 March, 2019
Consumption of stores and spare parts	233.58	250.63
Job work Expenses	160.90	175.95
Erection expenses	429.03	831.90
Power and fuel	43.72	54.56
Hire charges	54.61	70.12
Marketing Service Fee	154.32	171.63
Other Marketing and Selling Expense	90.31	81.46
Travelling & Conveyance	66.52	96.64
Rent	27.54	97.53
Car hire expenses	7.35	5.91
Repairs and maintenance	22.74	24.03
Insurance	20.47	21.15
Rates and taxes	12.61	20.06
Warranty claim expenses	41.55	66.50
Freight and forwarding	151.01	245.48
Payments to auditors (Refer Note (i) below)	5.81	5.84
Loss on fixed assets sold	4.36	7.64
Legal & professional charges	67.07	90.54
Miscellaneous expenses	82.78	102.06
Total	**1,676.28**	**2,419.63**

Auditors' Remuneration paid/payable for the year

Particulars	For the Year ended 31 March, 2020	For the Year ended 31 March, 2019
Statutory Audit fee	3.10	3.10
Limited review and other certifications	2.51	2.41
Reimbursement	0.20	0.33
Total	**5.81**	**5.84**

(**All amounts in ₹ Lakhs, unless otherwise stated)**

Note 34 : Earnings Per Share

Particulars	For the Year ended 31 March, 2020	For the Year ended 31 March, 2019
Weighted average number of equity shares outstanding	3,343,243	3,343,243
Profit after tax available for shareholders	(2,177.66)	(461.49)
Basic & diluted earnings per share	(65.14)	(13.80)
Face value per share	10.00	10.00

Note 35 : Tax Reconciliation

Reconciliation of tax expense and accounting profit as per Ind AS 12 :

Income Tax Expenses

This note provides an analysis of the Group income tax expenses that how the tax expenses is affected by non-assessable and not-deductible items:

Particulars	2019-20	2018-19
Income Tax Expenses		
Current tax for the year	-	-
Adjustment for current tax of prior period	-	-
Total current tax expenses	**-**	**-**
Deferred tax		
Increase/(Decrease) in deferred tax assets	(332.69)	117.25
(Increase)/Decrease in deferred tax liabilities	41.52	(34.67)
Total deferred tax income/(expenses)	**(291.17)**	**82.58**
Income tax expenses	**291.17**	**(82.58)**

Reconciliation of tax expenses and accounting profit multiplied by applicable Indian tax rate:

Particulars	2019-20	2018-19
Profit before income taxes	(1,886.48)	(544.07)
Enacted tax rate in India (%)-In Parent Company	25.17%	26.00%
Enacted tax rate in India (%)-In Subsidiary Company	25.17%	26.00%
Computed expected tax expenses	-	-
Tax effect due to non-taxable income for Indian tax purposes	-	(1.56)
Tax reversals	-	-
Effect of non-deductible expenses	-	3.68
Others	291.17	(84.70)
Income tax expenses	**291.17**	**(82.58)**

Note 36 : Disclosure required pursuant to Ind AS - 36 “Impairment of Assets”

The Group has carried out impairment test on its fixed assets as on the date of Balance Sheet and the Management is of the opinion that there is no asset for which provision for impairment is required to be made as per Ind AS - 36 “Impairment of Assets”.

Note 37 : Operating Segment Information

a) As per Ind AS-108 “ Operating Segment ”, the Group has considered business segment as the reportable segment for the purpose of segment reporting disclosure. The business segments are construction activity [civil, mechanical and engineering] and manufacturing of Automobile Components. The above segment have been identified taking into account the organisation structure as well as the differing risks and returns of these segments and so the Segment revenues, expenses, assets and liabilities.

(All amounts in ₹ Lakhs, unless otherwise stated)

Financial year 2019-20

Particulars	Construction Activity	Auto Mobile Components	Total
Segment Revenue	1,853.13	4,314.48	6,167.61
Segment Expenses	4,089.47	4,350.90	8,440.37
Segment Profit	(2,236.34)	(36.42)	(2,272.76)
Segment Assets	4,387.03	3,278.19	7,665.22
segment Liabilities	3,752.15	2,407.37	6,159.52

Financial year 2018-19

Particulars	Construction Activity	Auto Mobile Components	Total
Segment Revenue	4,627.58	4,654.11	9,281.69
Segment Expenses	5,831.15	4,595.97	10,427.12
Segment Profit	(1,203.57)	58.14	(1,145.43)
Segment Assets	7,791.01	2,825.96	10,616.97
segment Liabilities	5,009.30	1,935.62	6,944.92

b) The revenue of the Group from the external customers is attributed to (i) the Group's country of domicile i.e. India and (ii) all foreign countries in total from which the Group derives revenue.

Particulars	For the Year ended 31 March, 2020	For the Year ended 31 March, 2019
Within India	6,064.16	9,155.57
Outside India	103.45	126.12
Total	**6,167.61**	**9,281.69**

Note 38 : Contingent Liabilities

Particulars		As at 31 March, 2020	As at 31 March, 2019
Contingent liabilities			
a.	Guarantees/Letter of Credit given by the banks which are counter guaranteed by the Group and secured against Fixed and Current Assets	2,378.00	4,045.69
b.	Others where Group had gone in to appeals before appropriate authorities:		
	-Sales Tax	20.29	20.29
	-Income Tax	44.83	-
c.	Corporate Guarantee	-	243.97
	Total	**2,443.12**	**4,309.95**

Note 39 : Capital Management

The Group Capital management objective is to maximize the total shareholder's return by optimizing cost of capital through flexible capital structure that supports growth. Group ensure optimal credit risk profile to maintain/enhance credit rating.

The Group determines the amount of capital requirement on the basis of annual operating plan and long-term strategic plans. The finding requirements are met through internal accruals and long term/ short term borrowings. The Group monitors the capital structure on the basis of Net debts to equity ratio and maturity profile of the overall debt portfolio of the Group.

For the purpose of Group capital management, equity includes paid up equity share capital and reserves and surplus and Debt comprises of long term borrowings including current maturities of these borrowings.

(**All amounts in ₹ Lakhs, unless otherwise stated)**

The following table summarizes long term debt and equity of the Group:

Particulars	As at 31 March, 2020	As at 31 March, 2019
Equity Share Capital	334.32	334.32
Other Equity	1,171.38	3,337.74
Total Equity	1,505.70	3,672.06
Long Term Debt	1,303.65	599.27
Debt to Equity Ratio	**0.87**	**0.16**

Note 40 : Financial Risk Management Objectives and Policies

The Group business activities exposed to a variety of financial risks viz., market risks, credit risk and liquidity risk. The Group's focus is to foresee the unpredictability of financial risk and to address the issue to minimize the potential adverse effects of its financial performance.

The Group financial risk management is an integral part of how to plan and execute its business strategies. The Group financial risk management policy is set by the Group management.

Market risk:

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Such changes in the values of financial instruments may result from changes in the foreign currency exchange rates, interest rates, credit, liquidity and other market changes.

Interest rate risk:

Out of total borrowings, large portion represents short term borrowings and the interest rate primarily based on the Group credit rating and also the changes in the financial market. Group influence rating and also factors which influential the determination of the interest rates by the banks to minimize the interest continuously monitoring over all factors rate risks.

Exposure to interest rate risk:

Particulars	As at 31 March, 2020	As at 31 March, 2019
Floating rate borrowings: Working capital loan	76.89	80.85
Total	**76.89**	**80.85**

A change of 50 basis points (bp) in interest rates would have following impact on profit before tax

Particulars	As at 31 March, 2020	As at 31 March, 2019
50 bp increase - Decrease in profit	0.83	1.25
50 bp decrease - Increase in profit	(0.83)	(1.25)

Credit risk:

Credit risk refers to risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. Credit risk arises primarily from financial assets such as trade receivables, loans, investments and other financial assets.

At each reporting date, the Group measures loss allowance for certain class of financial assets based on historical trend, industry practices and the business environment in which the Group operates.

Credit risk with respect to trade receivables are limited, due to the Group customer profiles are well balanced in Government and Non-Government customers and diversified amongst in various geographies. All trade receivables are reviewed and assessed on a quarterly basis.

Credit risk arising from investments and balances with banks is limited because the counter parties are banks and recognised companies with high credit worthiness.

(All amounts in ₹ Lakhs, unless otherwise stated)

(i) Provision for expected credit losses:

The Group measures Expected Credit Loss (ECL) for financial instruments based on historical trend, industry practices and the business environment in which the Group operates.

For financial assets, a credit loss is the difference between:

(a) the contractual cash flows that are due to an entity under the contract; and

(b) the cash flows that the entity expects to receive.

The Group recognizes in profit or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date in accordance with Ind AS 109.

In determination of the allowances for credit losses on trade receivables, the Group has used a practical expedience by computing the expected credit losses based on ageing matrix, which has taken into account historical credit loss experience and adjusted for forward looking information.

(ii) The movement of Trade Receivables and Expected Credit Loss are as follows:

Particulars	As at 31 March, 2020	As at 31 March, 2019
Trade Receivables (Gross)	4,461.24	5,880.98
Less: Expected Credit Loss	(605.71)	(76.51)
Trade Receivables (Net)	**3,855.53**	**5,804.47**

Financial Instruments and Cash Deposits

The Group considers factors such as track record, size of the institution, market reputation and service standards to select the banks with which balances and deposits are maintained. Investments of surplus funds are made only with approved counterparties. The maximum exposure to credit risk for the components of the balance sheet is ₹ 4506.82 lacs as at 31.03.2020 and ₹ 7031.92 lacs as at 31.03.2019, which is the carrying amount of cash and cash equivalents, other bank balances, investments, trade receivables, loans and other financial assets.

Liquidity risk:

Liquidity risk is the risk that the Group may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses. The Group monitors its risk to a shortage of funds using a recurring liquidity planning tool. This tool considers the maturity of both its financial investments and financial assets (i.e. trade receivables, other financial assets) and projected cash flows from operations.

The Group objective is to maintain a balance between continuity of funding and flexibility through the use of working capital loans, letter of credit facility, bank loans and credit purchases.

The table below provides details regarding the contractual maturities of significant financial liabilities to the contractual maturity date:

As at 31 March, 2020

Particulars	Less than 1 year	1 to 5 years	More than 5 years	Total
Interest Bearing Loans and Borrowings (Including Current Maturities)	541.41	696.56	125.00	1,362.97
Trade Payables	2,883.85	-	-	2,883.85
Other Financial Liabilities	351.81	-	-	351.81
Total	**3,777.08**	**696.56**	**125.00**	**4,598.63**

(All amounts in ₹ Lakhs, unless otherwise stated)

As at 31 March, 2019

Particulars	Less than 1 year	1 to 5 years	More than 5 years	Total
Interest Bearing Loans and Borrowings (Including Current Maturities)	777.42	451.36	125.00	1,353.78
Trade Payables	4,117.20	-	-	4,117.20
Other Financial Liabilities	321.86	-	-	321.86
Total	**5,216.48**	**451.36**	**125.00**	**5,792.84**

Note 41 : Corporate Social Responsibility

Gross amount required to be spent by the Company during the Financial Year 2019-20 is Nil as the Company has incurred losses in the previous years.

Note 42 : Expenditure in Foreign Currency

Particulars	For the year ended 31 March, 2020	For the year ended 31 March, 2019
Other matter (Travel)	3.16	5.91

Note 43 : Employee Benefits

a) Defined Contribution Plans

Contribution to the provident Fund and Superannuation funds are charged to the Profit and loss statement.

During the year, the Group has recognised the following amounts in the profit & loss statement:

Particulars	2019-20	2018-19
Contribution to Provident Fund and Family Pension Fund	38.58	49.00
Contribution to Superannuation Fund	4.17	5.70

b) Post Employment Defined Benefit Plans

Parent Company provides for gratuity, a defined benefit retirement plan covering eligible employees. As per the scheme, the Gratuity Trust fund managed by the Trust, makes payment to vested employees on retirement, death, incapacitation or termination/ resignation of employment, of an amount based on the respective employee's eligible salary depending upon the tenure of service. Vesting occurs upon completion of five years of service. Liabilities with regard to the Gratuity plan are determined by actuarial valuation as set out in Note 2.15, based upon which, the Parent Company makes contribution to the Gratuity fund.

c) Other Long Term Employee Benefit Plan

Leave Encashment Scheme [LES] (Unfunded)

The Group provides for accumulated leave benefit for eligible employees payable at the time of retirement/ resignation from service as per the policy of the Group, actual number of days outstanding based on last drawn salary. The liabilities with regard to leave encashment scheme are determined by actuarial valuation as set out in Note 2.15.

d) Risk Exposure

Aforesaid post employment defined benefit plans typically expose the Group to actuarial risks, most significant of which are discount rate risk, salary escalation risk and demographic risk.

Discount Risk

The Group is exposed to the risk of fall in discount rate. A fall in discount rate will eventually increase the ultimate cost of providing the above benefit thereby increasing the value of liability.

(All amounts in ₹ Lakhs, unless otherwise stated)

Salary Escalation Risk

The present value of defined benefit plan liability is calculated by reference to the future salaries of plan participant. An increase in the salary of plan participants will increase the plan liabilities.

Demographic Risk

In the valuation of liability certain demographic (mortality and attrition rates) assumptions are made. The Group is exposed to this risk to the extent of actual experience eventually being worse compared to the assumption thereby causing an increase in the plan liability.

Details of Defined Benefits plans-as required by Ind AS-19 Employee Benefits

Particulars	Gratuity Funded	Gratuity Unfunded	Gratuity Funded	Gratuity Unfunded
Components of employee expenses	**2019-20**		**2018-19**	
Current service cost	6.19	2.39	6.07	2.23
Past service cost	-	-	-	-
Interest cost	7.01	0.85	8.79	0.40
Expected return on Plan Assets	(6.46)	-	(8.39)	-
Total expenses recognised in the Profit & Loss Statement	6.73	3.24	6.47	2.63
Actuarial (gain)/loss-Obligation opening Balance	(26.38)	4.60	(30.79)	0.31
Actuarial (gain)/loss-Obligation	9.39	(0.14)	3.57	4.29
Actuarial (gain)/loss-plan assets	5.79	-	0.84	-
Total Actuarial (gain)/loss recognised in other comprehensive (income)/expenses	(11.20)	4.46	(26.38)	4.60
Actual Contribution & Benefits payment for the year	**2019-20**		**2018-19**	
Actual Benefits payments	22.50	-	33.03	-
Actual contributions	0.05	-	9.63	-
Net assets/(liability) recognised in the Balance Sheet	**2019-20**		**2018-19**	
Present value of Defined Benefit Obligation	100.22	15.21	100.13	12.11
Fair value of Plan Assets	70.57	-	92.35	-
Funded Status [Surplus/(Deficit)]	(29.66)	15.21	(7.79)	12.11
Net assets/ (liability) recognised in the Balance Sheet	(29.66)	(15.21)	(7.79)	(12.11)
Change in Defined Benefits Obligation during the year	**2019-20**		**2018-19**	
Present value of Defined Benefit Obligation as at the beginning of the year	100.14	12.11	113.37	5.17
Current service cost	6.19	2.39	6.07	2.23
Past service cost	-	-	-	-
Interest Cost	7.01	0.85	8.79	0.40
Actuarial Losses/(Gains)	9.39	(0.14)	4.94	4.30
Benefits paid	22.50	-	33.03	-
Present value of Defined Benefits Obligation as at the end of the year	100.22	15.21	100.14	12.11

(All amounts in ₹ Lakhs, unless otherwise stated)

Change in Fair value of the Plan Assets during the year	2019-20		2018-19	
Plan Asset as at the beginning of the year	92.35	-	114.64	-
Actuarial Adjustment	-	-	(6.44)	-
Expected return on the Plan Assets	6.46	-	8.39	-
Actual Company contributions	0.05	-	9.63	-
Actuarial (Losses)/Gains	(5.79)	-	(0.84)	-
Benefits paid	(22.50)	-	(33.03)	-
Plan Asset as at the end of the year	70.57	-	92.35	-
Actuarial Assumptions	**2019-20**		**2018-19**	
Discount rate	7.00%	7.00%	7.75%	7.75%
Expected return on plan assets	7.00%	-	7.75%	-
Withdrawal rate (per annum) (18 to 30 years)	5.00%	5.00%	5.00%	5.00%
Withdrawal rate (per annum) (30 to 44 years)	3.00%	3.00%	3.00%	3.00%
Withdrawal rate (per annum) (44 to 60 years)	2.00%	2.00%	2.00%	2.00%
Salary escalation rate	5.00%	5.00%	5.00%	5.00%

The expected rate of return on the plan asset is based on the average long term rate of return expected on investment of funds during estimated term of obligation.

The assumption of the future salary increases, considered in actuarial valuation, takes into account the inflation, seniority, promotion & other relevant factors.

Particulars	Gratuity Funded	Gratuity Unfunded	Gratuity Funded	Gratuity Unfunded
The major categories of plan assets as a percentage of the total plan assets	**2019-20**		**2018-19**	
Insurer Managed Funds	100%	-	100%	-
Experience Adjustments	**2019-20**		**2018-19**	
Present value of Defined Benefit Obligation as at the end of the year	100.22	-	100.14	-
Fair value of plan assets as at the end of the year	70.57	-	92.35	-
Funds Status [Surplus/(Deficit)]	(29.66)	-	(7.79)	-
Experience adjustment of Plan Liabilities	2.31	-	2.31	-
Experience adjustment of Plan Asset	70.57	-	92.35	-

The liability for leave encashment is accounted for on accrual basis on actuarial valuation at the year end.

Gratuity Funded Sensitivity Analysis for significant assumptions as on 31.03.2020 are as follows:-

Assumptions	Discount rate		Future Salary		Withdrawal Rate	
Sensitivity Analysis	1.00% Increase	1.00% Decrease	1.00% Increase	1.00% Decrease	1.00% Increase	1.00% Decrease
Impact on defined benefit obligation	(4.34)	4.99	5.04	(4.46)	0.66	(0.74)

Gratuity Funded Sensitivity Analysis for significant assumptions as on 31.03.2019 are as follows:-

Assumptions	Discount rate		Future Salary		Withdrawal Rate	
Sensitivity Analysis	1.00% Increase	1.00% Decrease	1.00% Increase	1.00% Decrease	1.00% Increase	1.00% Decrease
Impact on defined benefit obligation	(4.13)	4.71	3.76	(3.24)	0.84	0.95

(**All amounts in ₹ Lakhs, unless otherwise stated)**

Gratuity Unfunded Sensitivity Analysis for significant assumptions as on 31.03.2020 are as follows:-

Assumptions	Discount rate		Future Salary		Withdrawal Rate	
Sensitivity Analysis	1.00% Increase	1.00% Decrease	1.00% Increase	1.00% Decrease	1.00% Increase	1.00% Decrease
Impact on defined benefit obligation	(1.36)	1.57	1.59	(1.39)	0.19	(0.22)

Gratuity Unfunded Sensitivity Analysis for significant assumptions as on 31.03.2019 are as follows:-

Assumptions	Discount rate		Future Salary		Withdrawal Rate	
Sensitivity Analysis	1.00% Increase	1.00% Decrease	1.00% Increase	1.00% Decrease	1.00% Increase	1.00% Decrease
Impact on defined benefit obligation	(1.07)	1.24	1.27	(1.11)	0.22	(0.25)

The Parent Company expects to contribute ₹ 7.06 lacs (Previous year ₹ 7.48 lacs) to gratuity fund in next year.

The weighted average duration of the defined benefit obligation as at 31.03.2020 is 8 years (as at 31.03.2019: 11 years).

Estimate of expected benefit payments (In absolute terms i.e. undiscounted)

Particulars	Gratuity Funded	Gratuity Unfunded
01 April, 2020 to 31 March, 2021	40.21	0.84
01 April, 2021 to 31 March, 2022	10.59	0.36
01 April, 2022 to 31 March, 2023	7.80	0.37
01 April, 2023 to 31 March, 2024	1.64	0.37
01 April, 2024 to 31 March, 2025	1.91	0.37
01 April, 2025 onwards	38.06	12.90

Note 44 : Related Party Disclosures

Pursuant to Ind AS-24 “Related Party Disclosures”, following parties are to be treated as related parties:

(a) Entities over which key managerial personnel is able to exercise significant influence:

Bharat Gears Limited (BGL)
Vibrant Reality Infra Pvt. Ltd. (VRIPL)
Ultra Consultants Pvt. Ltd. (UCPL)
Future Consultants Pvt. Ltd. (FCPL)
Cliplok Simpak (India) Pvt. Ltd. (CSIPL)
Samreet Investment & Management Consultancy Pvt. Ltd. (SIMCPL)
Gulab Merchandise Pvt. Ltd. (GMPL)
City Fame Engineering Private Limited (CFEPL)

(b) Key managerial personnel

Mr. Surinder Paul Kanwar-Chairman & Managing Director
Mr. Sachit Kanwar-Joint Managing Director
Mr. Sameer Kanwar-Non-Executive Director
Dr. Sanjeev Kumar-Non-Executive Independent Director
Mr. Pradeep Kumar Mittal- Non-Executive Independent Director
Mr. Rajiv Chandra Rastogi-Non-Executive Independent Director
Mr. Naresh Kumar Verma-Non-Executive Director
Mrs. Sethalakshmi Venkataraman-Non-Executive Independent Director
Mr. Prabhat Chand Kothari-Non-Executive Director
Mr. Jagdeep Singh-Non-Executive Director

(All amounts in ₹ Lakhs, unless otherwise stated)

Details of transactions with the related parties

Particulars	Entities over which key managerial personnel is able to exercise significant influence		Key managerial personnel	
Transaction during the year	**2019-20**	**2018-19**	**2019-20**	**2018-19**
Rent Paid				
BGL	7.85	11.77	-	-
VRIPL	4.80	4.80	-	-
Electricity Charges paid				
VRIPL	2.11	2.30	-	-

Particulars	Entities over which key managerial personnel is able to exercise significant influence		Key managerial personnel	
Transaction during the year	**2019-20**	**2018-19**	**2019-20**	**2018-19**
Managerial remuneration				
Mr. Surinder Paul Kanwar	-	-	*	*
Mr. Sachit Kanwar	-	-	78.15	93.05
Dr. Sanjeev Kumar	-	-	0.45	1.05
Mr. Pradeep Kumar Mittal	-	-	0.60	1.15
Mrs. Seethalakshmi Venkataraman	-	-	0.60	0.30
Mr. Rajiv Chandra Rastogi	-	-	1.10	-
Mr. Naresh Kumar Verma	-	-	0.10	-
Marketing Service Fee				
BGL	154.32	171.63	-	-
Rent Income				
BGL	11.75	11.75	-	-
Other selling expenses				
BGL	10.46	5.73	-	-
Interest on Loan				
UCPL	1.50	1.50	-	-
Mr. Surinder Paul Kanwar	-	-	6.02	6.00
CSIPL	5.01	5.00	-	-
CFEPL	-	1.91	-	-
VRIPL	6.70	4.97	-	-

(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	Entities over which key managerial personnel is able to exercise significant influence		Key managerial personnel	
Loan received/(repaid)	31 March, 2020	31 March, 2019	31 March, 2020	31 March, 2019
Unsecured Loan				
CSIPL	20.00	-	-	-
VRIPL	20.00	(41.00)	-	-
CFEPL	-	(20.00)	-	-
UCPL	30.00	-	-	-

* Token remuneration of ₹ 12 (Rupees Twelve) paid to Chairman & Managing Director.

Particulars	Entities over which key managerial personnel is able to exercise significant influence		Key managerial personnel	
	31 March, 2020	31 March, 2019	31 March, 2020	31 March, 2019
Guarantee given for credit limits taken by Company				
VRIPL	1,877.00	4,297.00	-	-
Mr. Surinder Paul Kanwar	-	-	2,950.12	5,203.00
Mr. Sachit Kanwar	-	-	405.00	405.00
Amount Payable				
Mr. Surinder Paul Kanwar	-	-	50.00	50.00
Mr. Sachit Kanwar	-	-	0.89	-
UCPL	45.00	15.00	-	-
BGL	95.37	101.91	-	-
CSIPL	70.00	50.00	-	-
VRIPL	96.66	74.11	-	-

Note 45 : Financial Instruments

Particulars	Notes	31 March, 2020			31 March, 2019		
		FVPL	FVOCI	Amortized Cost	FVPL	FVOCI	Amortized Cost
Financial Assets							
Investment							
Equity Shares (Quoted)	5	60.54	-	-	499.49	-	-
Loans and Advances	6,14	-	-	46.70	-	-	19.56
Trade Receivables	7,11	-	-	3,855.53	-	-	5,804.47
Cash and Bank Balances	12,13	-	-	302.74	-	-	778.93
Other Financial Assets	8,15	-	-	223.45	-	-	267.28
Total Financial Assets		**60.54**	**-**	**4,428.41**	**499.49**	**-**	**6,870.24**
Financial Liabilities							
Borrowings	20,22	-	-	1,794.20	-	-	1,330.87
Trade Payables	23	-	-	2,883.85	-	-	4,117.20
Other Financial Liabilities	24	-	-	376.62	-	-	344.77
Total Financial liabilities		**-**	**-**	**5,054.67**	**-**	**-**	**5,792.84**

(**All amounts in ₹ Lakhs, unless otherwise stated)**

Fair Value Hierarchy

The Group uses following method of hierarchy for determining and disclosing the fair value of financial instruments by valuation techniques:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the assets or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

i) Financial assets and liabilities are measured at recurring fair value measurement at 31 March, 2020

Particulars	Notes	Level 1
Financial assets		
Investment in:		
Equity Instruments	5	60.54

ii) Financial assets and liabilities are measured at recurring fair value measurement at 31 March, 2019

Particulars	Notes	Level 1
Financial assets		
Investment in:		
Equity Instruments	5	499.49

During the year ended 31.03.2020, there were no transfers between Level 1 and level 2 fair value measurements and no transfer into and out of Level 3 fair value measurements. There is no transaction/balance under level 3.

Note 46 : Additional information required by Schedule III

Particulars	Indian Subsidiary	Non-controlling Interest	Total
Name of the Entity in the Group	**Xlerate Driveline India Limited**		
Net Asset i.e Total Assets minus Total liabilities			
- As % of Consolidated Net Assets	100.00	-	100.00
- Amount	876.95	-	876.95
Share in profit or loss			
- As % of Consolidated profit or loss	100.00	-	100.00
- Amount	(20.67)	-	(20.67)
Share in Other Comprehensive Income			
- As % of Consolidated Other Comprehensive Income	100.00	-	100.00
- Amount	0.10	-	0.10
Share in Total Comprehensive Income			
- As % of Consolidated Total Comprehensive Income	100.00	-	100.00
- Amount	(20.57)	-	(20.57)

Note 47 : Disclosure pursuant to Ind AS 116 "Leases"

Effective 01 April, 2019, the Company adopted Ind AS 116 "Leases" as notified by the Ministry of Corporate Affairs (MCA) and applied the standard to all lease contracts existing on 01 April, 2019 using the modified retrospective method and has taken the cumulative adjustment to retained earnings, on the date of initial application. Consequently, the Company recorded the lease liability and right of use assets at the present value of the lease payments discounted at the incremental borrowing as on date of initial application. Comparatives as at and for the year ended 31 March, 2019 have not been retrospectively adjusted and therefore will continue to be reported under the accounting policies included as part of our Annual Report for year ended 31 March, 2019.

(**All amounts in ₹ Lakhs, unless otherwise stated)**

On transition, the adoption of the new standard resulted in the recognition of 'Leasehold buildings' and 'Lease liability' of Rs. 456.04 lacs. Due to adoption of Ind AS 116, the profit for the current year is reduced by Rs. 32.16 lacs. Ind AS 116, Leases resulted in an increase in cash inflows from operating activities and an increase in cash outflows from financing activities on account of lease payments.

Note 48: Impact of COVID-19 Pandemic

The Company has incurred losses during the current year amounting to Rs. 2166.36 lacs, primarily owing to the lower volumes due to continuing slowdown in the automotive and EPC industry, ECL provision and decrease in fair value of investments. The Company has a positive net worth of Rs. 1505.70 lacs and a net current asset position of Rs. 314.70 lacs. The Company's operations have also been impacted by the unprecedented COVID-19 pandemic whch resulted in an interruption in Erection & Supply activity due to nationwide lockdown.The Compnay has since obtained requisite permissions and restarted its manufacturing plant and its office partially, due to constraints in availability of manpower etc.

The Company has made an assessment of the impact of the pandemic on its operations and the carrying value of Plant & Machinery,Inventory, Receivables and other financial assets, by relying on the internal and external sources of information and indicators of economic forecasts. Based on such assessment, the company is confident of recovering the carrying value of these assets as at 31 March, 2020.

Management believes that it has taken into account all the possible impact of known events arising from COVID 19 pandemic in the preparation of the financial statements. However, the impact assessment of COVID 19 is a continuing process given the uncertainties associated with its nature and duration. The Company will continue to monitor any material changes to future economic conditions.

Note 49: Previous year's figures are reclassified, where necessary, to conform to the current year's classification

For and on behalf of the Board of Directors

For B R Maheswari & Co LLP
Chartered Accountants
Firm's Registration No. 001035N/N500050

Surinder Paul Kanwar
Chairman and Managing Director
(DIN: 00033524)

Sachit Kanwar
Joint Managing Director
(DIN: 02132124)

Sameer Kanwar (DIN: 00033622)
Dr. Sanjeev Kumar (DIN: 00364416)
P.K. Mittal (DIN: 00165315)
Seethalakshmi Venkataraman (DIN: 07156898)
Rajiv Chandra Rastogi (DIN: 00035460)
Naresh Kumar Verma (DIN: 07087356)
Directors

Sanjay Nath
Partner
Membership No. 082700
Date: 30 June, 2020

Rajan Malhotra
Chief Executive Officer
(PAN: AAEPM3206C)

Himanshu Goyal
Chief Financial Officer
(PAN: BUCPG9157M)

Vartika Malhotra
Company Secretary
(PAN: CQUPM5658Q)

FORM AOC-I

[Pursuant to first proviso to sub-section (3) of Section 129 of the Companies Act, 2013 read with Rule 5 of the Companies (Accounts) Rules, 2014]

(₹ in Lacs)

S.NO.	PARTICULARS	
1.	NAME OF SUBSIDIARY	XLERATE DRIVELINE INDIA LIMITED
2.	SHARE CAPITAL	1487.70
3.	RESERVE & SURPLUS	(610.75)
4.	TOTAL ASSETS	3284.32
5.	TOTAL LIABILITIES	2407.37
6.	INVESTMENTS	-
7.	NET TURNOVER	4314.48
8.	PROFIT (LOSS) BEFORE TAXATION	(19.01)
9.	PROVISION FOR TAXATION	1.66
10.	PROFIT (LOSS) AFTER TAXATION	(20.67)
11.	% OF SHAREHOLDING	100%

Form No. SH-13
Nomination Form

[Pursuant to Section 72 of the Companies Act, 2013 and rule 19(1) of the Companies (Share Capital and Debentures) Rules 2014]

To,
Raunaq EPC International Limited
20 K.M. Mathura Road, P.O. Box 353
P.O. Amar Nagar, Faridabad-121 003
Haryana

I/We_____ the holder(s) of the securities particulars of which are given hereunder wish to make nomination and do hereby nominate the following persons in whom shall vest, all the rights in respect of such securities in the event of my/our death.

(1) PARTICULARS OF THE SECURITIES (in respect of which nomination is being made)

Nature of securities	Folio No.	No. of securities	Certificate No.	Distinctive Nos.

(2) PARTICULARS OF NOMINEE/S
- (a) Name:
- (b) Date of Birth:
- (c) Father's/Mother's/Spouse's name:
- (d) Occupation:
- (e) Nationality:
- (f) Address:
- (g) E-mail id:
- (h) Relationship with the security holder:

(3) IN CASE NOMINEE IS A MINOR
- (a) Date of birth:
- (b) Date of attaining majority:
- (c) Name of guardian:
- (d) Address of guardian:

(4) PARTICULARS OF NOMINEE IN CASE MINOR NOMINEE DIES BEFORE ATTAINING AGE OF MAJORITY
- (a) Name:
- (b) Date of Birth:
- (c) Father's/Mother's/Spouse's name:
- (d) Occupation:
- (e) Nationality:
- (f) Address:
- (g) E-mail id:
- (h) Relationship with the security holder:
- (i) Relationship with the minor nominee:

Name:

Address:

Name of the Security Holder(s) Signature

Witness with name and address Signature

Form No. SH-14
Cancellation or Variation of Nomination

[Pursuant to sub-section (3) of Section 72 of the Companies Act, 2013 and rule 19(9) of the Companies (Share Capital and Debentures) Rules 2014]

To,
Raunaq EPC International Limited
20 K.M. Mathura Road, P.O. Box 353
P.O. Amar Nagar, Faridabad-121 003
Haryana

I/We hereby cancel the nomination(s) made by me/us in favor of_____ _____ (name and address of the nominee) in respect of the below mentioned securities.

Or

I/We hereby nominate the following person in place of _____ as nominee in respect of the below mentioned securities in whom shall vest all rights in respect of such securities in the event of my/our death.

(1) PARTICULARS OF THE SECURITIES (in respect of which nomination is being cancelled /varied)

Nature of securities	Folio No.	No. of securities	Certificate No.	Distinctive Nos.

(2) (a) PARTICULARS OF THE NEW NOMINEE:
- i. Name:
- ii. Date of Birth:
- iii. Father's/Mother's/Spouse's name:
- iv. Nationality:
- v. Address:
- vi. E-mail id:
- vii. Relationship with the Security holder:

(b) IN CASE NEW NOMINEE IS A MINOR
- i. Date of birth:
- ii. Date of attaining majority:
- iii. Name of guardian:
- iv. Address of guardian:

(3) PARTICULARS OF NOMINEE IN CASE MINOR NOMINEE DIES BEFORE ATTAINING AGE OF MAJORITY
- (a) Name:
- (b) Date of Birth:
- (c) Father's/Mother's/Spouse's name:
- (d) Occupation:
- (e) Nationality:
- (f) Address:
- (g) E-mail id:
- (h) Relationship with the security holder:
- (i) Relationship with the minor nominee:

Signature

Name of the Security Holder(s)

Witness with name and address

PROFORMA FOR UPDATION OF SHAREHOLDER'S INFORMATION

Folio No. | | | | | | |

No. of Equity Shares | | | | | | |

Specimen Signature
(As per application/transfer deed)

Name(s):

First Holder | | | | | | | | | | | | | | | | |

_____

Occupation | | | | | | | | | | | | | | |

Jt. Holder 1 | | | | | | | | | | | | | | | | |

_____

Jt. Holder 2 | | | | | | | | | | | | | | | | |

_____

Address | | | | | | | | | | | | | | | | |

(In case of Joint Holding, all the Joint Holders to sign)

| | | | | | | | | | | | | | | | | |

Pin Code | | | | | | |

E-mail Id _____

Cert. Nos. | | | | | | |

	FROM		FROM	
Dist. Nos.						
	TO		TO	

NOTES : 1. IN CASE THE SPACE IS NOT SUFFICIENT PLEASE ATTACH A SEPARATE SHEET.

2. THE ABOVE PROFORMA MAY BE FILLED AND RETURNED EVEN IF THERE IS NO CHANGE IN THE PARTICULARS.



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RAUNAQ EPC INTERNATIONAL LIMITED

REGD. OFF.: 20 K.M., Mathura Road, P. O. Amar Nagar, Faridabad - 121 003 (Haryana) | **www.raunaqinternational.com**
CIN: L51909HR1965PLC034315